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Reference	IOR/R/15/1/648
Title	'86/1 XII (D 175) Kuwait Oil'
Date(s)	31 Jul 1941-22 Mar 1946 (CE, Gregorian)
Written in	English and Arabic in Latin and Arabic script
Extent and Format	1 volume (227 folios)
Holding Institution	British Library: India Office Records and Private Papers
Copyright for document	<u>Unknown</u>

#### About this record

The correspondence in the volume relates primarily to the cessation of the operations of the Kuwait Oil Company during World War Two, and their plans for post-war development once peace is declared. These plans included the development of tanker anchorages, pipe-lines for both oil and water, the construction of a refinery, and the development of the production of oil from the Burgan Oil Field. Also considered in the correspondence are the potential local repercussions, both positive and negative that such rapid development might have in Kuwait (also given as **Koweit**), some of the correspondence between the Company and the Shaikh is given in both English and Arabic. Also discussed is work undertaken by the Kuwait Oil Company for the British Army from **1942-1943** to provide Bitumen, and the Company's desire to use the leftover Bitumen to asphalt roads in Kuwait. Correspondence relating to the services provided by the Kuwait Landing Company, who are responsible for the loading and unloading of all cargo in Kuwait, is also included and discussion centres around the rights of the Kuwait Oil Company to unload their own cargo and their need of special steel barges to do so, which they acquire from Gray, Mackenzie and Company.

Also recorded are visits made by representatives of both the Kuwait Oil Company, and its parent companies the Anglo-Iranian Oil Company and the Gulf Oil Company to Kuwait which were made to discuss operational matters, attempt to secure further concessions from the Shaikh, and to settle disputes amongst the staff there. Visits were also made by Major Frank Holmes, the London Representative of the Shaikh of Kuwait to the Kuwait Oil Company, and his Indian Interpreter, Ashraf Ali Shamsuddin.

Other matters discussed include the Kuwait Oil Company's proposal to acquire a concession from the Shaikh of Kuwait (**Shaikh Aḥmad al-Jābir Āl Ṣabāḥ**) for an area outside Kuwait territorial waters, and the US Government's proclamation in 1946 which extended their jurisdiction to the subsoil adjacent to the American Coast on the Continental Shelf. Included in the volume are the minutes of a meeting held 16 January 1946 to discuss what the British Government's response to the proclamation should be. The outcomes of the meeting were to make a public statement supporting the American Government's proclamation and to commence an investigation into how

the proclamation could be applied by the British Government, focusing particularly on the case of the Persian Gulf where the Continental Shelf was so shallow any rights would have to be shared by all adjacent states on an equitable basis, taking into account ownership of pearl fisheries too.

Other matters of note within the volume are:

- Rumours that the American Oil Companies intend to construct a pipeline from the Mediterranean to Kuwait as part of their ongoing development of oil production in Saudi Arabia;
- The reactions against the proposal in the United States and conversations between the US and British Governments over future worldwide oil expansion, focusing particularly on the Middle East and considering questions such as the quantities of oil to be produced, the challenges of transporting it, and matters such as concession rights and marketing policies;
- Ibn Saud's alleged attempts to influence the Shaikh of Kuwait in his choice of recipient of his share of the Neutral Zone Concession, specifically nominating the California-Arabian Standard Oil Company.
- A memorandum written by W S Gregor, General Manager for BAPCO at Busreh [Basra], regarding complaints about the handling of cargo in Bahrain and the Bahrain Petroleum Company (BAPCO)'s desire to make their own lighterage arrangements. The complaints related to the lack of experienced staff and supervisors at delivery points which was resulting in stowing, smuggling and pilfering.

The correspondence in the file is primarily between the Political Resident in the Persian Gulf, the Political Agent at Kuwait, the Secretary of State for India, the Shaikh of Kuwait, the India Office, the Ministry of Fuel and Power, the Kuwait Oil Company and Major Frank Holmes.

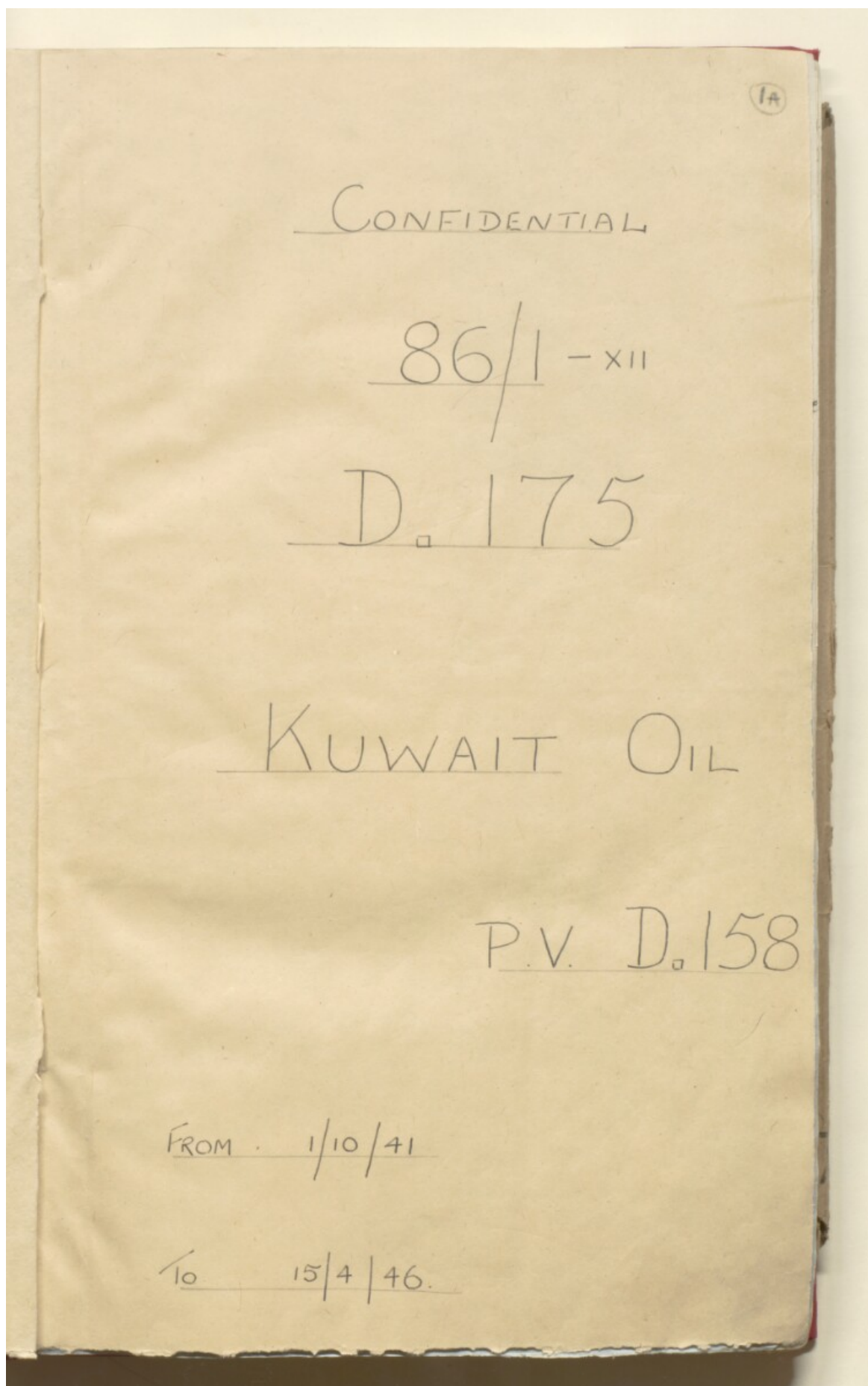




86/1-XII - Volume D.175

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By Air Mail.

22 4624 1941  
4447

INDIA OFFICE,  
LONDON.

WE 9 AUG 1941

Forwarded with the compliments of the Secretary,  
Political Department, India Office.

PERSIAN RESIDENCY.	
No.	108
Date	11/10/41
CONFIDENTIAL RECORDS	

A copy has been sent to

Kowait

India

by Air Mail. 2 we 9.8.41  
Sea

~~The Foreign Secretary, Government of India.~~

The Political Resident in the Persian Gulf.

2  
KUWAIT OIL COMPANY, LIMITED,  
Britannic House,  
Finsbury Circus,  
London, E.C.2.

31st July, 1941.

The Under Secretary of State for India,  
India Office,  
Whitehall, S.W.1.

Sir,

As you are aware, Mr. Thomas Patrick, an American citizen is at present employed by this company in Kuwait in the capacity of Drilling Superintendent.

It is proposed to replace Mr. Patrick by Mr. Robert Louis Kuss, also an American citizen, who was born of American parentage on 11th May, 1896 at Houston, Texas. Mr. Kuss is unmarried. He has been employed by Gulf Exploration Company since March 1929 and is recommended by them as a suitable person for employment in Kuwait. This company is of opinion that the employment of Mr. Kuss is desirable for the efficient carrying on of the undertaking.

We beg, therefore, to request that His Majesty's Government will consent to the employment of Mr. Kuss in Kuwait, in which event we should be glad if a cable could be despatched to the British Consul, New York, authorising him to give Mr. Kuss a visa to proceed to Kuwait via Singapore. We understand that he intends to travel by Pan American Airways from San Francisco to Singapore and thence by British Airline to Basrah.

We are, etc.,

For KUWAIT OIL COMPANY, LIMITED.

(Sd.) H.N. Keep

Secretary.



KUWAIT OIL COMPANY, LIMITED,  
P.O. Box No. 6,  
New Zealand Avenue,  
Walton-on-Thames,  
SURREY.

6th August, 1941.

E.W.R. Lumby, Esq.,  
India Office,  
Whitehall,  
S.W.1.

Dear Mr. Lumby,

I confirm having informed you by telephone this morning that it is no longer intended that Mr. Hurry go to Kuwait. Will you therefore kindly withdraw the request contained in my letter of 1st August.

In cables received from New York up to yesterday were informed that unless Mr. Xues could leave San Francisco on 12th August - for which date his passage been booked - there would be considerable delay in his departure. We should therefore be very greatly obliged if it would be possible for the India Office to reach decision regarding his journey to Kuwait and, if this is favourable, to authorise the British Consul at San Francisco to issue a visa for Kuwait not later than 1st August.

I was very sorry to have to trouble you with this matter just now.

Yours sincerely,

(Sd.) H.E. Kemp.

4  
No. 4624/41.

India Office,  
Whitehall,  
S.W.1.

Immediate  
Hand.

7th August, 1941.

Dear Back,

I understand you have already been informed by telephone that this Office and the authorities in the Persian Gulf have no objection to the issue of a Kuwait visa to Mr. Robert Louis Kuss, a United States citizen in the employment of the Kuwait Oil Company. I write to confirm this. Mr. Kuss is the Company's Drilling Superintendent, and will replace Mr. Thomas Patrick, at present employed in Kuwait in that capacity.

I understand also that you have agreed to inform the Consul at San Francisco by telegram that the visa may be granted. The Company tell us that unless Mr. Kuss can leave San Francisco on August 12th - for which date his passage has been booked - there will be considerable delay in his departure. He intends to travel either by sea or air via Singapore.

AB/

Back, Esq.,  
Passport Control Office.

5  
India Office  
Whitehall

3. As the cost of your telegram to San Francisco can be recovered from the Oil Company, perhaps you will let us know in due course the sum involved and we will include it in our charges against them.

Yours sincerely,

(Sd.) E.W.R. Lumby.

Head,  
Airport Control Office.

56/1

(6)

W

2/4

by Air Mail.

2 Soap 1941

INDIA OFFICE,  
LONDON,

W.E. 30 AUG 1941

(2)

Forwarded with the compliments of the Secretary,  
Political Department, India Office.

TERMAN

BUSHIRE RESIDENCY

Tour No. 905

Date 18/11/41

CONFIDENTIAL RECORDS

A copy has been sent to India Kuwait

by one mail of 30 AUG 1941

to Bushire

by <sup>Air</sup>Sea Mail 30 AUG 1941

~~The Foreign Secretary, Government of India.~~

The Political Resident in the Persian Gulf.





7  
KUWAIT OIL COMPANY, LIMITED,  
Britannic House,  
Finsbury Circus,  
London, E.C.2.  
18th August, 1941.

For the attention of Mr. E.W.R. Lumby,  
External Department.

The Under Secretary of State for India,  
India Office,  
Whitehall, S.W.1.

Sir,

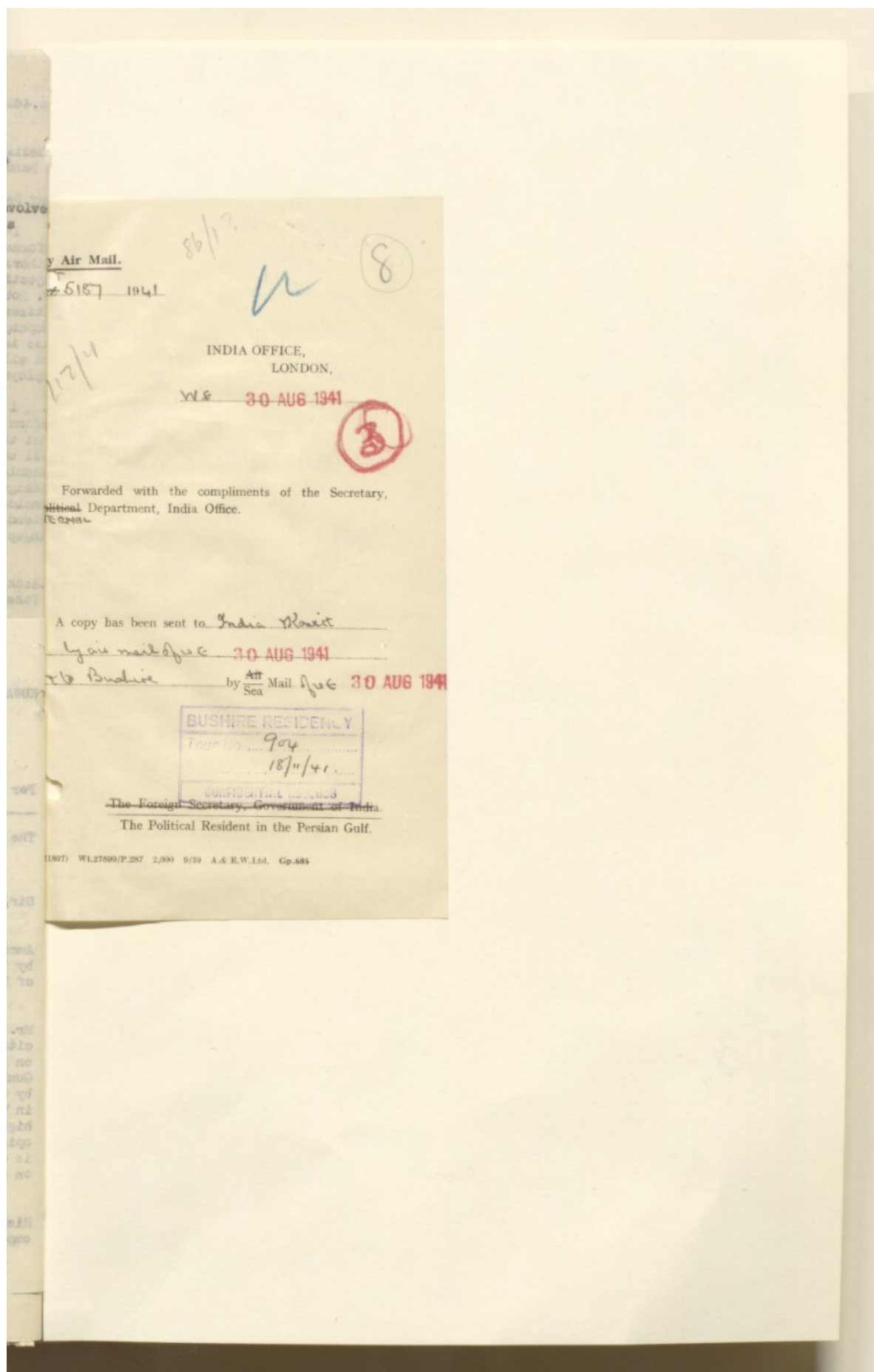
As you are aware, Mr. L.C. Sass, an American citizen is at present employed by this Company in Kuwait in the capacity of Drilling Superintendent.

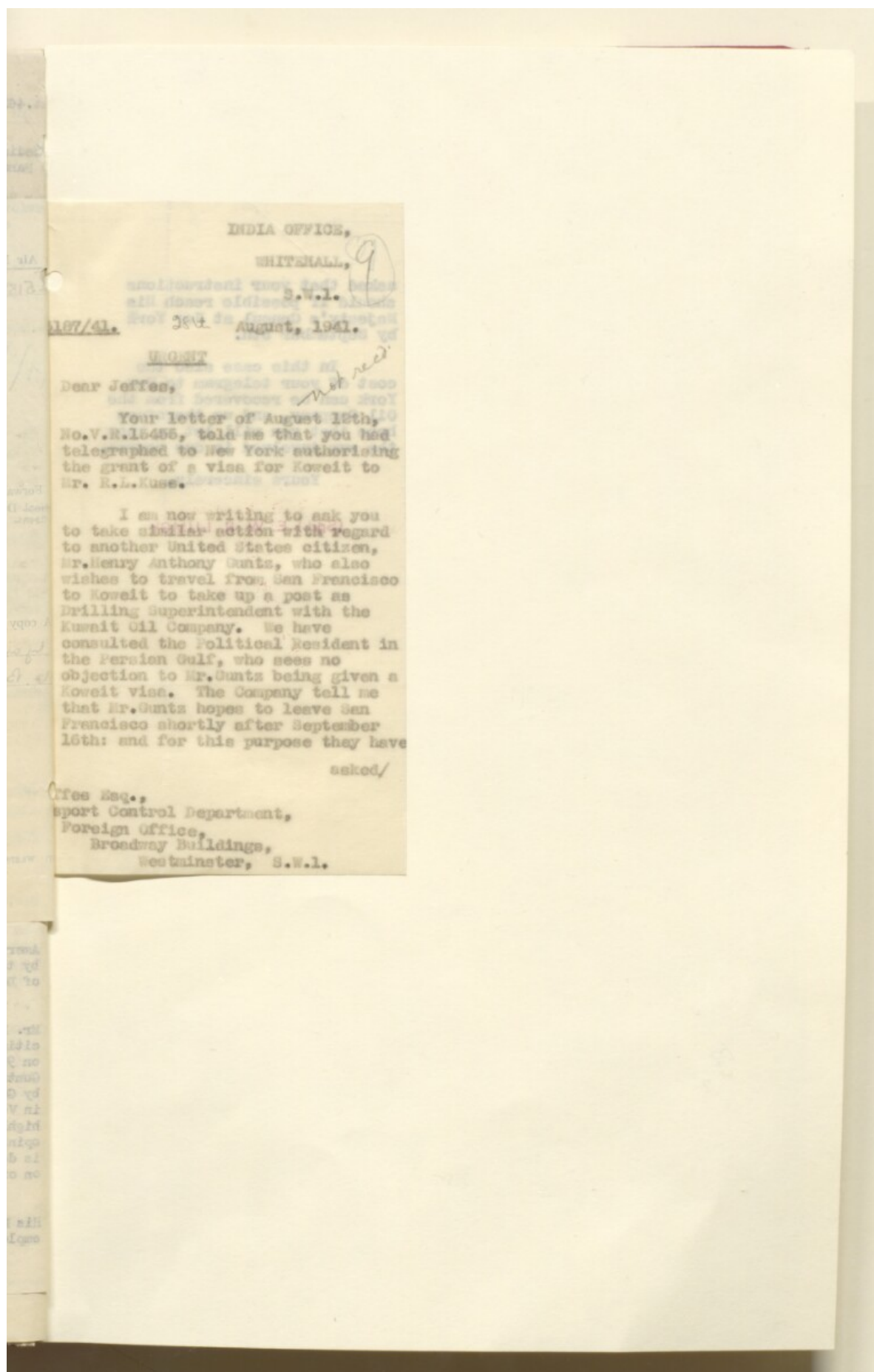
It is proposed to replace Mr. Sass by Mr. Henry Anthony Guntz, also an American citizen, who was born of American parentage on 9th April, 1912 in Philadelphia. Mr. Guntz is unmarried. He has been employed by Gulf Exploration Company's organisation in Venezuela for four years and he is highly recommended by them. We are of opinion that the employment of Mr. Guntz is desirable for the efficient carrying on of the undertaking.

We beg, therefore, to request that His Majesty's Government will consent to the employment of Mr. Guntz in Kuwait.

We are, etc.

for KUWAIT OIL COMPANY LIMITED,  
Secretary.





INDIA OFFICE,

WHITEHALL,

S.W.1.

18/8/41.

18th August, 1941.

URGENT

Dear Jeffes,  
Your letter of August 18th, No.V.R.18456, told me that you had telegraphed to New York authorising the grant of a visa for Kuwait to Mr. R.L. Kuss.

I am now writing to ask you to take similar action with regard to another United States citizen, Mr. Henry Anthony Guntz, who also wishes to travel from San Francisco to Kuwait to take up a post as Drilling Superintendent with the Kuwait Oil Company. We have consulted the Political Resident in the Persian Gulf, who sees no objection to Mr. Guntz being given a Kuwait visa. The Company tell me that Mr. Guntz hopes to leave San Francisco shortly after September 16th: and for this purpose they have

asked/

Yours Esq.,  
Port Control Department,  
Foreign Office,  
Broadway Buildings,  
Westminster, S.W.1.



asked that your instructions should if possible reach His Majesty's Consul at New York by September 5th.

In this case also the cost of your telegram to New York can be recovered from the Oil Company, and we therefore hope that you will let us know the sum involved in due course.

Yours sincerely,

(Sgd.) E. W. R. LUMBY

Secretary  
Foreign Office  
London, W. 1





3679a

INDIA OFFICE, EXTERNAL DEPARTMENT.

EXPRESS LETTER (AIR MAIL).

(N.B.—This is an original message, sent by air mail to save telegraphic expense, but intended to be treated on receipt with the same expedition as if it had been telegraphed. It has been drafted as if it were so despatched.)

From Secretary of State

To Political Resident, in the Persian Gulf, repeated to Political Agent at Koweit.

Dated 3<sup>rd</sup> November, 1941.

No. Ext. 6522/41.

BUSHIRE RESIDENCY  
Tour No. 906  
Date 18/11/41.  
CONFIDENTIAL

The Kuwait Oil Company are prepared to refund the cost of the telegrams recently sent by Government on their behalf, in respect of visas for the American Drilling Superintendents Messrs. Kuss and Guntz. Please state whether any payment has been made locally by the Company to you in respect of telegrams T/405 and T/495 of August 6th and 24th sent by you in this connection. If not, it is proposed to claim the cost of these telegrams at public rates from the Company in London.

(1) 158, pp. 188 & 190

The issue of the above has been duly authorised.

B.R. Lumbay.



86/1

GOVERNMENT OF INDIA.  
Department.

EXPRESS LETTER (AIR MAIL).

[N.B.—This is an ORIGINAL message sent by AIR MAIL which provides a means of communication more expeditious than the ordinary mail and is cheaper than the telegraph. It is intended to be treated, on receipt, with the same expedition as if it had been telegraphed. To save time and to obviate formalities it is drafted in the form of a telegram. It is authenticated by the signature of a responsible officer of the Department.]

No. C/599 of 1941. Dated ~~28th~~ <sup>29th</sup> November, 1941. (5)

Camp KUWAIT

To From: The Political Resident in the Persian Gulf, Camp KUWAIT.  
To: His Majesty's Secretary of State for India, London.  
Repeated to The Political Agent, Kuwait.

Reference <sup>your</sup> ~~my~~ SUBJECT:- Cost of telegrams sent by  
Government on behalf of  
The Kuwait Oil Company.  
-----

p. 11. Reference your Express Letter No.  
Ext. 6522/41 dated the 3rd November 1941.

2. No payment has been made locally by  
the Company.

Sd. W. R. HAY,  
Political Resident in the Persian Gulf.

Attested.

q/c 22.11.41  
for Secretary to the Political  
Resident in the Persian Gulf.

TE.

(Signature)

(Designation)

S. 44.  
MFP—985 S&P—(M-1397)—27-11-36—10,000.



Confidential.

D.O.No.C/95-5/1

Political Agency,  
Kuwait,  
30th January, 1942.

*Put up  
with Mr.  
F. Dickinson  
here all  
27/2*  
*Very dear Colonel,*

(13)  
(6)  
BUSHIRE RESIDENCY.  
No. ....  
CONFIDENTIAL

Please refer to paragraph No. 238 of my Intelligence  
Summary No. <sup>(722)</sup> 23 of 1941.

2. While I was in Abadan on the 29th January Jameson spoke to me about the future operations of the Kuwait Oil Company. He informed me that he had recommended that they should carry on with their present programme for a year, but that the situation would be reviewed in six months time. He read to me a telegram from the Directors of the Company in London agreeing to his proposal.

I very much doubt if the Kuwait Oil Company will be able to carry on for more than another six months with spare material from Abadan, and I was informed that the Directors have, in my opinion, quite rightly decided not to ask for preferential treatment in regard to equipment for Kuwait.

*Yours sincerely*

*Michael Staines*

The Hon'ble Lieut-Colonel W.R. Hay, CIE.,  
Political Resident in the Persian Gulf,  
Bushire.

*The physical copy  
for the library*





SECRET:

Extract paragraph 238 from Kuwait Intelligence Summary No.22 of 1941 for the period from 1st to 15th December, 1941.

KUWAIT OIL COMPANY:

238. Mr.J.A.Jameson, CBE., called to see me on the 14th and stayed for three hours during which time he reviewed the affairs of the Oil Company here, the world oil position and army expenditure in England. As regards the Kuwait Oil Company he asked if I thought that there would be any political reaction if the Company closed down for the duration of the war. I said my private view was that if the personnel were not required for essential war work and if material for operations here could be made available without in any way affecting adversely the course of the war then operations should most certainly be continued for quiet and un-interrupted work created a very good impression which was not confined to Kuwait alone. It showed that the British and allied Companies were capable of carrying on with their peace time work in spite of a world war and that our resources and power were equal to both the successful conclusion of the war and the continuance of peace time undertakings. Mr. Jameson said that material was available in Iran and that the personnel were not urgently required elsewhere and that my views were much the same as his own. He then informed me that Major F.Holmes, the Shaikh's London Representative of the Kuwait Oil Company had told him that Lt-Col.H.R.P.Dickson, the Chief Local Representative had lost the confidence of the Shaikh. I was able to assure him that this was like many other statements emanating from the same source quite untrue. Mr. Jameson's visit caused considerable commotion in Oil Company circles.





Confidential.

D.O.No.C/41.

86/1

(15)

Office of the Political  
Resident in the Persian Gulf,  
Camp, Bahrain.

5th March 1947.

(7)

S.6

I forward herewith a copy of Hickinbotham's  
semi-official letter No.C/95-5/1 dated the 30th January  
1947.

2. I understand that even if the Kuwait Oil Company  
were compelled to close down their work the payments to  
the Shaikh would continue, and that the only immediate  
result locally would be the throwing out of work of about  
300 Kuwaitis.

3. The cessation of operations would however un-  
doubtedly have a bad effect generally on local public  
opinion, and it is hoped therefore that they will be  
allowed to continue for as long as possible.

4. I am sending copies of this letter and its  
enclosure to Garoe and Prior.

OK Uli

R.T.Peel Esquire, C.B.E., M.C.,  
The India Office,  
London.

\* sent under Printed Letter  
No.C/47 dated 5th March  
1947.

Copy sent to P.A. Lt. under d.o. Sub. No. 767-5  
of 24/7/42.



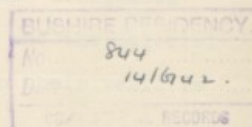
CONFIDENTIAL

No. 555 -5/7.

The Political Agent at Kuwait presents his compliments to

The Hon'ble the Political Resident

in the Persian Gulf, Bushire.



and has the honour to transmit to him a copy of the undermentioned document(s).



POLITICAL AGENCY,  
KUWAIT.

Dated the 1st June, 1942.

Reference to previous correspondence:

DESCRIPTION OF ENCLOSURE.

Name and Date.	Subject.
Letter No.5294, dated the 30th May, 1942, from Messrs Kuwait Oil Company Limited, Kuwait, to Mr. Abdulla Mulla Saleh, H.H. The Shaikh's Official Representative, Kuwait.	Mining of Burgan Bitumen.





17

Copy of letter No.5294, dated the 30th May, 1942,  
from Messrs. Kuwait Oil Company Limited, Kuwait, to Mr.  
Abdulla Mulla Saleh, H.H. The Shaikh's Official Representative,  
Kuwait.

100 cu. ft. of sand. -----

We confirm our conversation of the 24th instant in  
which we informed you that the Company had been approached by  
the British Army Authorities in Basrah in connection with their  
requirements of Burgan Bitumen. If this business eventuates  
the transportation will be handled by the Army and the material  
will be mined and delivered by the Company into their vehicles  
at Burgan.

The Concession Agreement concluded with His Highness  
the Shaikh entitles the Company to win and sell bitumen but does  
not, however, entitle them to dispose of the sand which is an  
integral part of the "Burgan Bitumen deposit". We therefore  
request the consent of His Highness the Shaikh, to the Company  
undertaking this and shall be pleased to pay His Highness for  
the sand at the same rate as paid by the A.I.O.C. for taking  
sand from Kuwait.

In accordance with Article 3 of the Concession  
Agreement payment on the net petroleum content (i.e. bitumen)  
shall be either Royalty of Rupees 3 per ton of 2240 lbs or the  
yearly payment of Rs.250,000 now paid to His Highness, whichever  
shall be the greater, no further payment in respect of Royalty  
is therefore due unless sales of nett "petroleum" exceed  
83,333 tons during any concessional year.

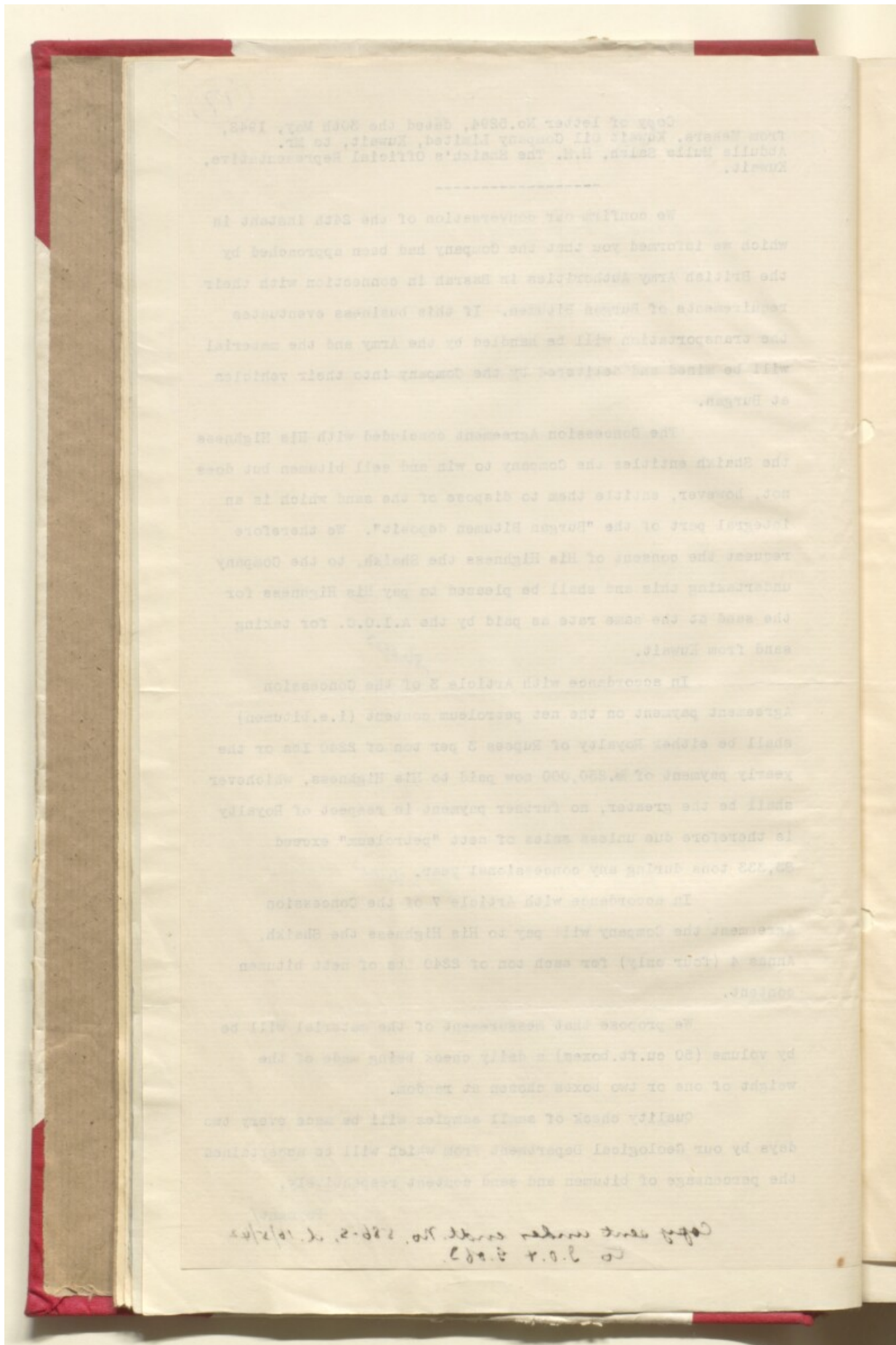
In accordance with Article 7 of the Concession  
Agreement the Company will pay to His Highness the Shaikh,  
Annas 4 (four only) for each ton of 2240 lbs of nett bitumen  
content.

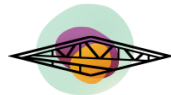
We propose that measurement of the material will be  
by volume (50 cu.ft.boxes) a daily check being made of the  
weight of one or two boxes chosen at random.

Quality check of small samples will be made every two  
days by our Geological Department from which will be ascertained  
the percentage of bitumen and sand content respectively.

Payment/  
Copy sent under indt. No. 586-S, d. 16/5/42  
to J.O. + G.O.S.







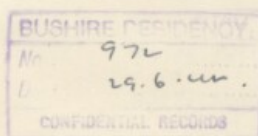
86/1  
19  
CONFIDENTIAL

No. 593 -5/7.

229/6  
The Political Agent at Kuwait presents his compliments to

The Hon'ble the Political Resident  
in the Persian Gulf, Bushire.

and has the honour to transmit to him a copy of the undermentioned document(s).  
for information.



POLITICAL AGENCY,  
KUWAIT.

(10)  
Dated the 12th June, 1942.

Reference to previous correspondence:

Kuwait Printed Letter No.555-5/7, dated the 1st June, 1942.

DESCRIPTION OF ENCLOSURE.

Name and Date.	Subject.
Letter dated the 4th June, 1942, from Mr. Abdulla Mulla Saleh, Official Representative of H.H. The Shaikh of Kuwait, to Messrs. Kuwait Oil Company Limited, Kuwait.	Mining of Burgan Bitumen.

C O P Y.

20

ABDULLA MULLA SALEH,  
Official Representative of  
H.H. The Shaikh of Kuwait.

Kuwait,  
4th June, 1942.

Messrs. Kuwait Oil Company, Ltd.,  
KUWAIT.

Dear Sirs,

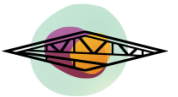
With reference to your letter No. 5294 of  
30th Ultimo, regarding the disposal of bitumen and  
sand, and my verbal conversation on the subject on  
3rd instant, I would like to confirm that His  
Highness the Shaikh has given his consent to it.

Yours faithfully,

Sgd/- Abdulla Mulla Saleh.

*Copy sent under enclt. No 700-S,  
d. 4/7/42, to D.O. & S. of D.*

*JH 4/7.*



86/1.

21

Telegram I.D.V.  
From Tenth Army,  
To Political Agent, Kuwait. (Political  
Resident please pass.)  
No. QM197.  
Dated 11th, received 13th July, 1 942. (11)

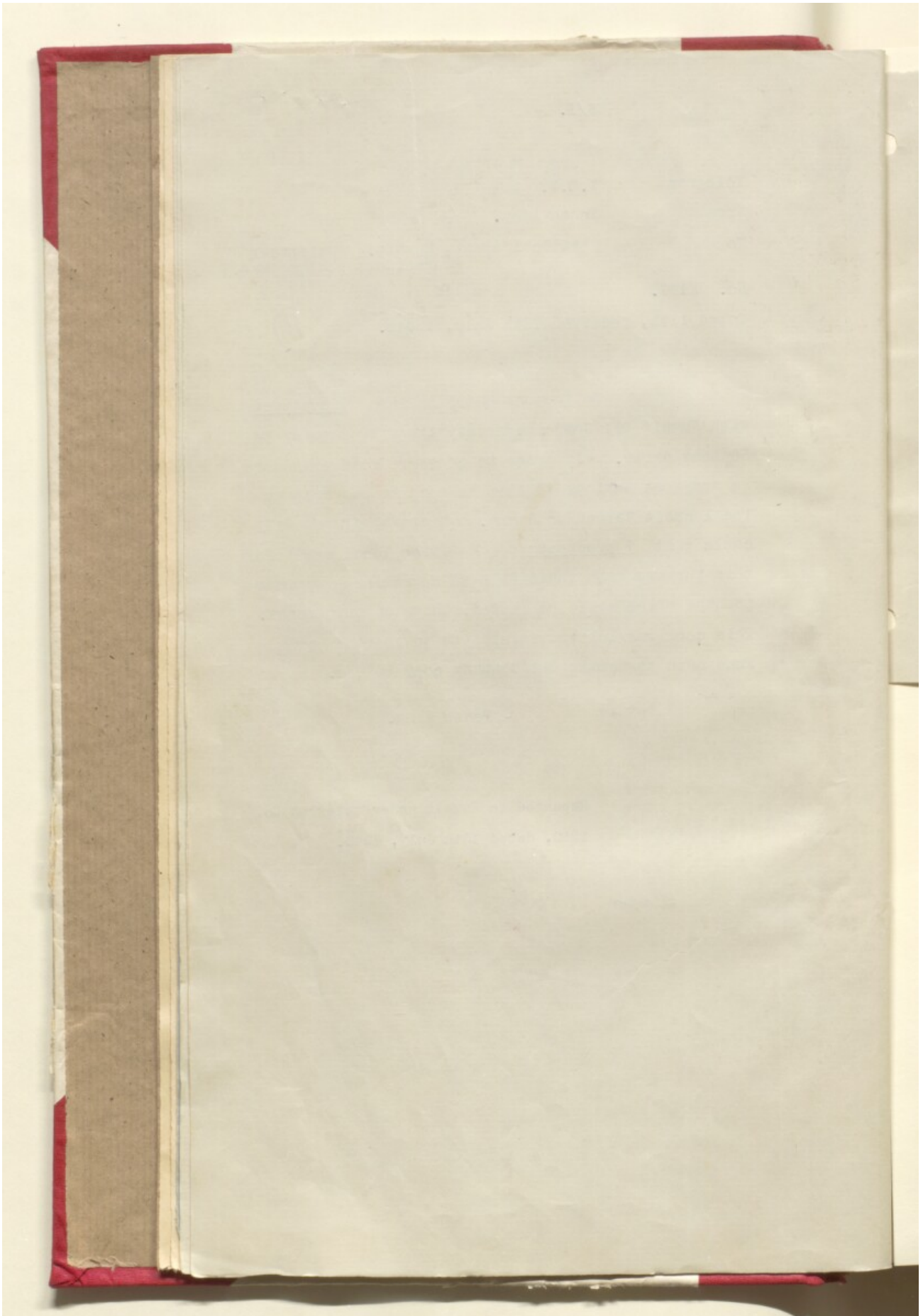
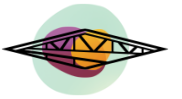
We propose entering into ? contract  
with Kuwait Oil Company for supply of Bitumen up to  
50 tons daily. In order to conserve road transport  
we are most anxious to ship as much as possible by  
local craft Bargan to Basra. Grateful if you will  
cable what ? prospects of obtaining local craft for  
this purpose with indication of approximate maximum  
tonnage which could be lifted daily by this means.  
This confirms letter of July 4th to yourself and <sup>Advised (to Kuwait)</sup>  
June 30th to Kuwait Oil Company copy to you.

*Advised*  
- Tenth Army.

Repeated to Kuwait under telegram No.  
1362, dated 13th July, 1942.

*2 s.c.s.*







Ext. 2156/42.

India Office,  
Whitehall,  
S.W.1.

CONFIDENTIAL. 4<sup>th</sup> May, 1942.  
BY AIR MAIL.

Dear Hay,

On receiving your letter No. C/41 of March 5th, we asked the Petroleum Department to confirm our assumption that in the existing supply and shipping situation there was nothing we could do to help the Koweit Oil Company to obtain the material they need to maintain their operations on the present restricted basis. I enclose a copy of our letter together

To Petroleum Department dated	April 24th.	) with
From Petroleum Department dated	April 27th.	

Petroleum Department's reply.

We do not feel that we can contest the Petroleum Department's argument that it is illogical that

drilling/

Lt. Col. W. R. Hay, C.I.E.,  
H.M. Consul General,  
Bushire.

BUSHIRE RESIDENCY.	
No.	1016
Date.	14/7/42.
CONFIDENTIAL RECORDS	

drilling should be continued at Koweit (and Qatar) when a number of the existing wells at Bahrein and on the mainland of Saudi Arabia are being closed down. In the light of their letter, it is difficult to resist the conclusion that, despite political considerations, we must acquiesce in the gradual cessation of operations at Koweit.

We will let you know as soon as we receive the Petroleum Department's recommendations with regard to Qatar.

I am sending copies of this letter and enclosure to Caroe and Prior.

Yours sincerely,

R. Steel

Copy, with copy of enclos. sent  
to Kinnaird & Bohn, under L. A. Temp.  
No. 767-5 of 24/7/42

Ext. 2003/42.

India Office,  
Whitehall,  
S.W.1.

24th April, 1942.

Dear Bridgeman,

We had some correspondence in January (see your letter of January 15th) about the operations of the Kuwait Oil Company. We have now received the enclosed letter from

dated 5th March, 1942 } the Political  
with enclosure. } Resident in the

Persian Gulf, which shews that it is doubtful whether the Company will be able to carry on, even on the present restricted basis, after next July with spare material from Abadon.

From the political aspect it is no doubt desirable, as Hay points out, that the company should continue working for as long as possible. But we assume that, in the existing supply and shipping situation, there is nothing we can do to help them to obtain the necessary material -

especially/

The Hon. M. R. Bridgeman,  
Petroleum Department,  
7, Millbank, S.W.

25  
India Office  
Whitehall  
S.6.  
especially if, as appears from  
Hickinbotham's letter, their  
Directors themselves have decided  
not to ask for priority treatment.  
Would you please let me know whether  
this assumption is correct.

I am sending a copy of this  
letter and its enclosures to Myres  
and the F.O.

Yours sincerely,

(sgd) R. Peel.

The Hon. R. S. Bridgman,  
Foreign Office,  
Whitehall, S.W.

Exc. 2156/42.

Petroleum Department, (26)  
7, Millbank,  
London, S.W.1.

PD98/2.  
Ext. 2003/42. 27th April, 1942.

Dear Peel, p. 24

In reply to your letter of April 24th, you will have noticed that discussions have recently been taking place in regard to denial schemes at Bahrein and on the mainland of Saudi Arabia and that the proposals have now reached a fairly advanced stage. It seems to us that at a time when a number of wells in the Persian Gulf are to be cemented off in order to obviate any risk of their falling into enemy hands, it is illogical to continue drilling operations in an adjacent territory, particularly when these operations are not directly connected with the war effort.

We therefore feel that although the effect on public opinion locally may be unfortunate, we are not in a position to encourage further development in this area. The same considerations also apply to Qatar and we are at the moment considering

whether/

R. Peel, Esq.,  
India Office,  
Whitehall, S.W.1.

whether we ought to recommend that operations in this area should also be discontinued and the existing wells immobilised. I will write to you again as soon as any conclusion is reached.



CONFIDENTIAL

No. C/712 -5/7.

The Political Agent at Kuwait presents his compliments to

The Hon'ble the Political Resident in the  
Persian Gulf, Bushire.

and has the honour to transmit to him a copy of the undermentioned document(s).

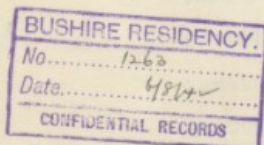
POLITICAL AGENCY,  
KUWAIT.

Dated the July 23rd, 1942

Reference to previous correspondence:

DESCRIPTION OF ENCLOSURE.

Name and Date.	Subject.
1. Telegram No. 1362 dated July 13th, 1942 from the Political Resident, Bushire.	Burgan Bitumen.
2. Telegram No. 711 dated July 22nd, 1942 from the Political Agent, Kuwait to His Majesty's Ambassador, Baghdad.	







29

Telegram S  
From Political Agent, Kuwait.  
To H.M.'s Ambassador, Baghdad.  
No. 711  
Dated 22nd July, 1942.

5.11

Following for 10th Army begins:-

Your telegram No.QM197 dated July 11th.

2. Presume you realise that motor transport to bring Bitumen from Burgan to Kuwait (30 miles) is essential.
3. Local craft to carry fifty tons per day can now be found. Cost will be in neighbourhood of Rs.10/- per ton.
4. Assembly of some five hundred barges for I.W.T. with capacity of eighty tons, at minimum rate of 20 per month commenced here today. I asked Troxler, Area Engineer, Khorramshahr, U.S. Military Mission who visited Kuwait yesterday if he saw any objection to use of these barges for transport of Bitumen. He informed me that his department were also considering purchase of large quantities of Bitumen from Kuwait using these barges for transport and suggested contact with his District Engineer, Colonel Lieber, to co-ordinate transport arrangements.

Company have already reserved equipment for production of 50 tons per day with A.I.O.C. Increase of this production for Americans will depend on availability of additional equipment. Scott, General Superintendent, Kuwait Oil Company, is very anxious for early decision as Company have suspended drilling operations and number of personnel to remain in Kuwait will depend on Bitumen contract.

Political.





CONFIDENTIAL

No. C/720

The Political Agent at Kuwait presents his compliments to

The Hon'ble the Political Resident in the  
Persian Gulf, Khorramshahr.

and has the honour to transmit to him a copy of the undermentioned document(s).

POLITICAL AGENCY,  
KUWAIT.

Dated the July 25th, 1942.

Reference to previous correspondence:

DESCRIPTION OF ENCLOSURE.

Name and Date.	Subject.
Letter D.O. No.55 dated July 22nd 1942, from the Kuwait Oil Company, Limited, to the Political Agent, Kuwait.	Temporary Closing Down of the Kuwait Oil Company, Limited.

BUSHIRE RESIDENCY.	
No.....	1266
Date.....	6/8/42
CONFIDENTIAL RECORDS	





(31)

Copy of letter D.O. No.55 dated 22nd July, 1942  
from the Kuwait Oil Company, Ltd. to the Political Agent,  
Kuwait.

In response to your request for information as to the future plans of the Company following on the decision of H.M.G. to suspend the drilling operations in Kuwait, communicated to us in P.A.'s letter C/687 of 13.4.42, I have to inform you that oil drilling operations were suspended at Well M.10 at a depth of 2580' on the 13th July and that subsequently I have discussed the position with Mr. N.A. Gass, a Director of the Kuwait Oil Company, Ltd.

Following on these discussions a telegram has been despatched to the Company's Principals in London which embodies proposals for the reduction of the Company's organization in Kuwait for the period during which their operations are suspended; the Board's reactions to these proposals, which embraced the following points, are now awaited:-

- (1) Continuation of all payments in accordance with the Concession Agreement and advances against future Royalties.
- (2) Retention of minimum staff in the Area, (probably consisting of Lt-Col. H.R.P. Dickson, C.I.E., Mr. W.A. Pover and possibly one other member of the British staff) after suitable arrangements have been made for the disposal or storage of the Company's plant and stores and the reduction of the existing organization.

In addition to the ordinary care-taking the fact that there may be a bitumen contract to supervise has been mentioned.

- (3) Messrs. A.I.O.C., Iran, can absorb the British Staff and those of the Indian Staff who desire employment there.
- (4) Instructions regarding disposal of Messrs. R.L. Kuss and H.A. Guntz, American Staff, have been called for.
- (5) Paying off of Kuwait Nationals with appropriate bonuses in proportion to length of service.
- (6) Purchase by A.I.O.C. of material useful to them and storage of remainder pending instructions regarding requirements elsewhere.
- (7) Anticipated that eventual stage will be attained in about two months.

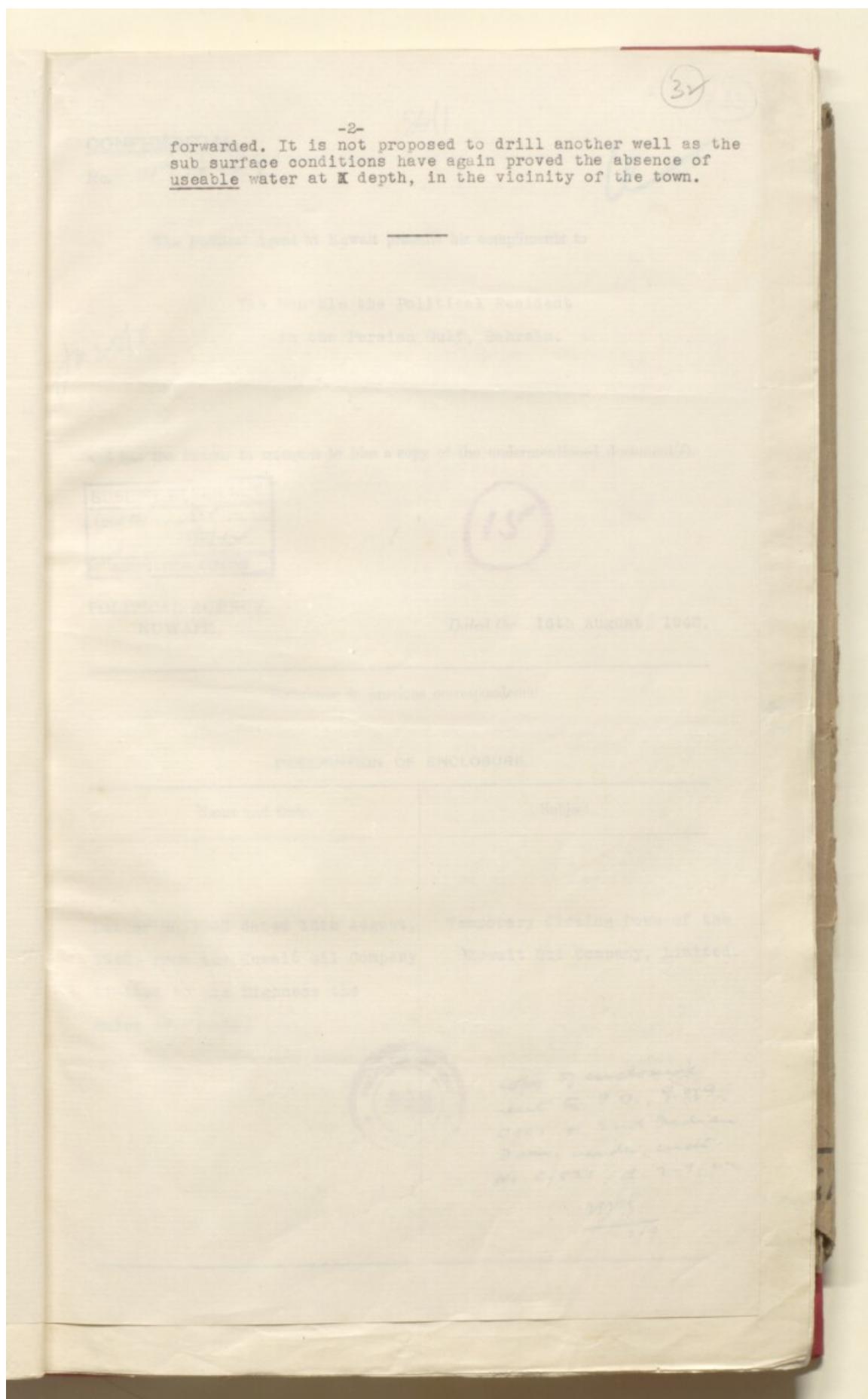
As soon as London's reactions to this telegram have been received I will advise you officially of the action that it is proposed to take.

Water Drilling.

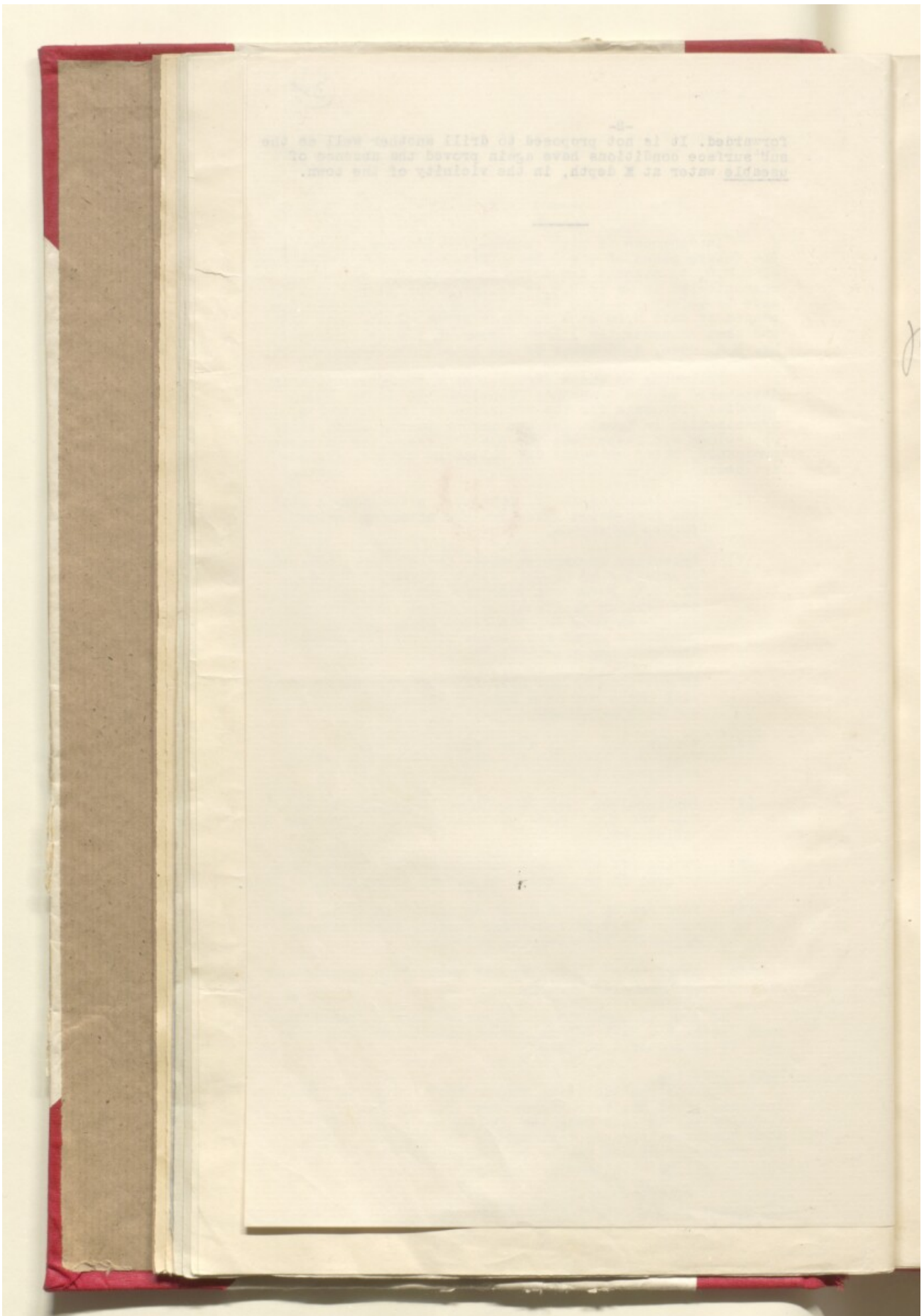
The well at Adailiyeh should complete on the 25th instant, water has been encountered in considerable quantity but in each case the quality is so poor that it does not even approach that usable for animals. A test of the surface sand has yet to be completed after which the outfit will be withdrawn and a report on the well will be

Copy forwarded under encl.  
No. 878-S, A. 7-8-42, to D.O. & G.O.S. H. 7/8.

forwarded/









**CONFIDENTIAL**

No. C/778-5/1

86/1

33

*be*

The Political Agent at Kuwait presents his compliments to

The Hon'ble the Political Resident  
in the Persian Gulf, Bahrain.

*ju 24/8*

and has the honour to transmit to him a copy of the undermentioned document(s).

<b>BUSHIRE RESIDENCY</b>	
Tour No. ....	855
Date.....	28/8/42
CONFIDENTIAL RECORDS	

15

POLITICAL AGENCY,  
KUWAIT.

Dated the 16th August, 1942.

Reference to previous correspondence :

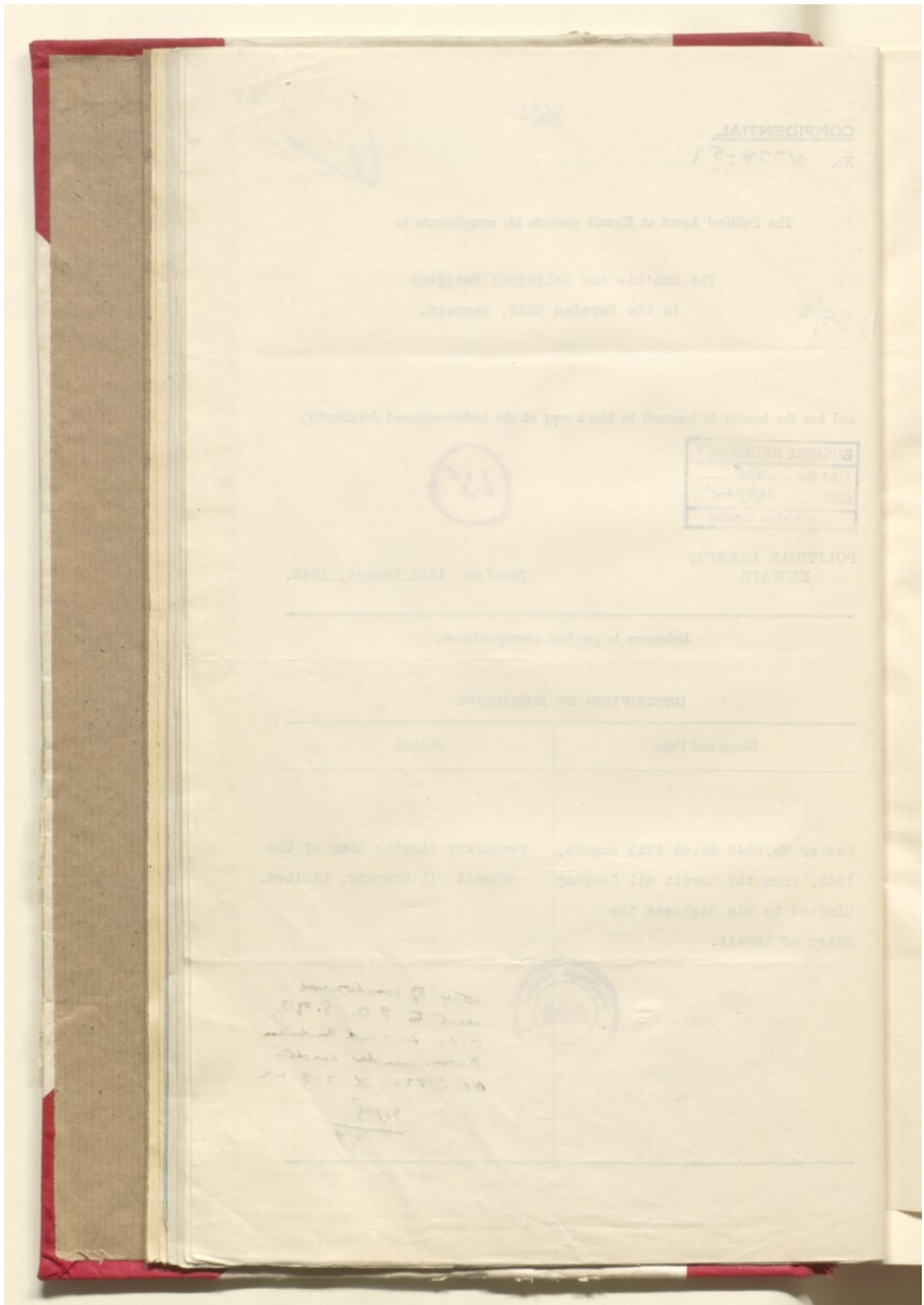
**DESCRIPTION OF ENCLOSURE.**

Name and Date.	Subject.
Letter No.5242 dated 13th August, 1942, from the Kuwait oil Company Limited to His Highness the Ruler of Kuwait.	Temporary Closing Down of the Kuwait Oil Company, Limited.



*Copy of enclosure sent to P.O. 8.89, CICI + 2nd Indian Divn. under indt. No. C/821, d. 2-9-42*  
*W.H.*  
*2/9*







34

Copy of letter No.5242 dated 13th August, 1942 from the Kuwait Oil Company Ltd., to His Highness the Ruler of Kuwait.

Greetings.

In response to Your Highness' request received through Mr. Abdullah Mulla Saleh, we confirm the following points of our conversation of the 8th August, in case there should be any misunderstanding over the interpretation of them:-

Work in hand:

The tidying up of the wells etc. in the Burgan area has been completed and the fencing of well B.G.9 is in hand. Well No.M-10 is nearly dismantled and after completion of this work it will be fenced with expanded metal. It is expected that the dismantling at M-10 will be complete on or about the 13th instant.

The main work in hand at present is the listing and checking of plant and materials and the transporting of heavy gear to Shuwaikh. Your Highness asked if all the wells were safe and we informed Your Highness that they were and that a guard post will remain at Warah and that Col. Dickson will be expected to visit all wells twice a week when the Company's work has been suspended.

Paying off of Kuwaiti Employees:

It has been decided that when the services of the surplus Kuwaiti employees are dispensed with, an ex gratia payment will be made to each individual at the rate of two weeks pay for each completed year of service. This bonus is granted specifically in connection with the suspension of the Company's operations and should not be regarded as forming a precedent.

It is proposed to pay off 15 rigmen in the course of the next two or three days and about another 15 at the end of the week, thereafter a steady reduction will follow.

Transfer of Staff.

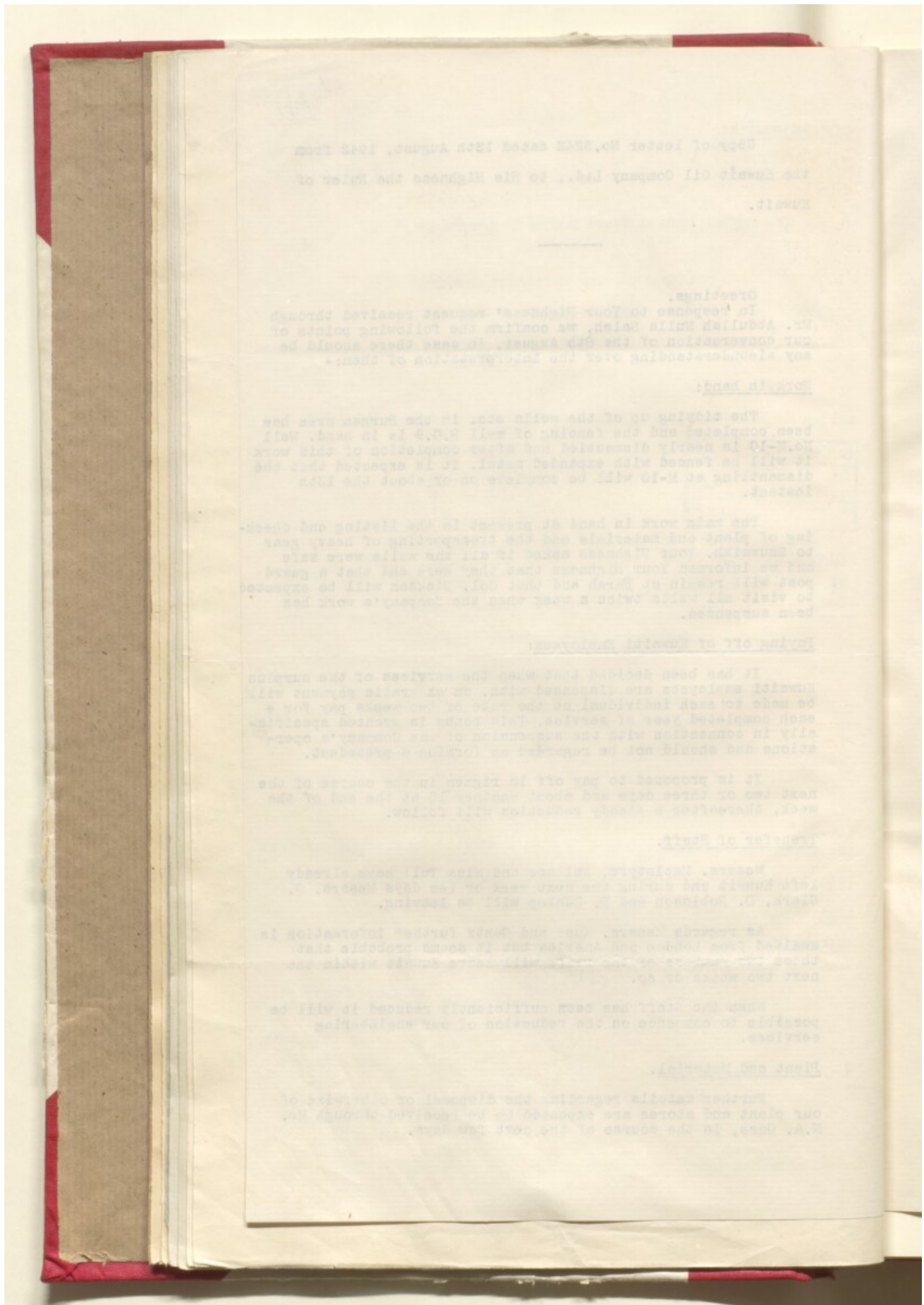
Messrs. MacIntyre, Wallace and Miss Tull have already left Kuwait and during the next week or ten days Messrs. S. Clark, D. Robinson and D. Dunlop will be leaving.

As regards Messrs. Kuss and Guntz further information is awaited from London and America but it seems probable that these two members of the Staff will leave Kuwait within the next two weeks or so.

When the Staff has been sufficiently reduced it will be possible to commence on the reduction of our engineering services.

Plant and Material.

Further details regarding the disposal or otherwise of our plant and stores are expected to be received through Mr. N.A. Gass, in the course of the next few days.







-2-

Suspended Basis.

It is proposed to continue to rent the office building in Kuwait and the houses occupied by Messrs. Scott and Campbell, the house occupied by our clerks, owned by Mr. Yousuf Yacub, will also be retained for the present. Guard posts will be maintained at Magwa, Warah and Shuwaikh and except for these posts Magwa will probably be shut down as a residential area; the workmen who are retained, will live at their homes in the town and will be sent out to work daily.

Medical Service.

The services of the Mission Doctor will continue to be retained and when our Assistant Surgeon can be released, arrangements will be made for the Mission Dispenser to visit Magwa and Warah guard posts and the work at Burgan every other day, to hold a sick parade. Any hospital cases will be brought to the Mission Hospital.

Scholarship Students, Bahrain Technical School.

The five students who commenced their course at the Bahrain Technical School last spring will continue until the completion of the training period.

General-

All payments vide our Concession Agreement together with advances against Royalty will continue to be made as heretofore.

Burgan Bitumen Contract.

The contract for the supply of Bitumen to the Army has been completed and the excavation of the bitumen has now commenced. The Army having sent down their vehicles without giving us adequate time to obtain the necessary equipment from Abadan, has assisted us by providing temporarily a compressor and digging unit to help with the work. With this assistance it is expected that an approximate daily output of 400 cu.ft (14 to 15 tons) will be obtained.

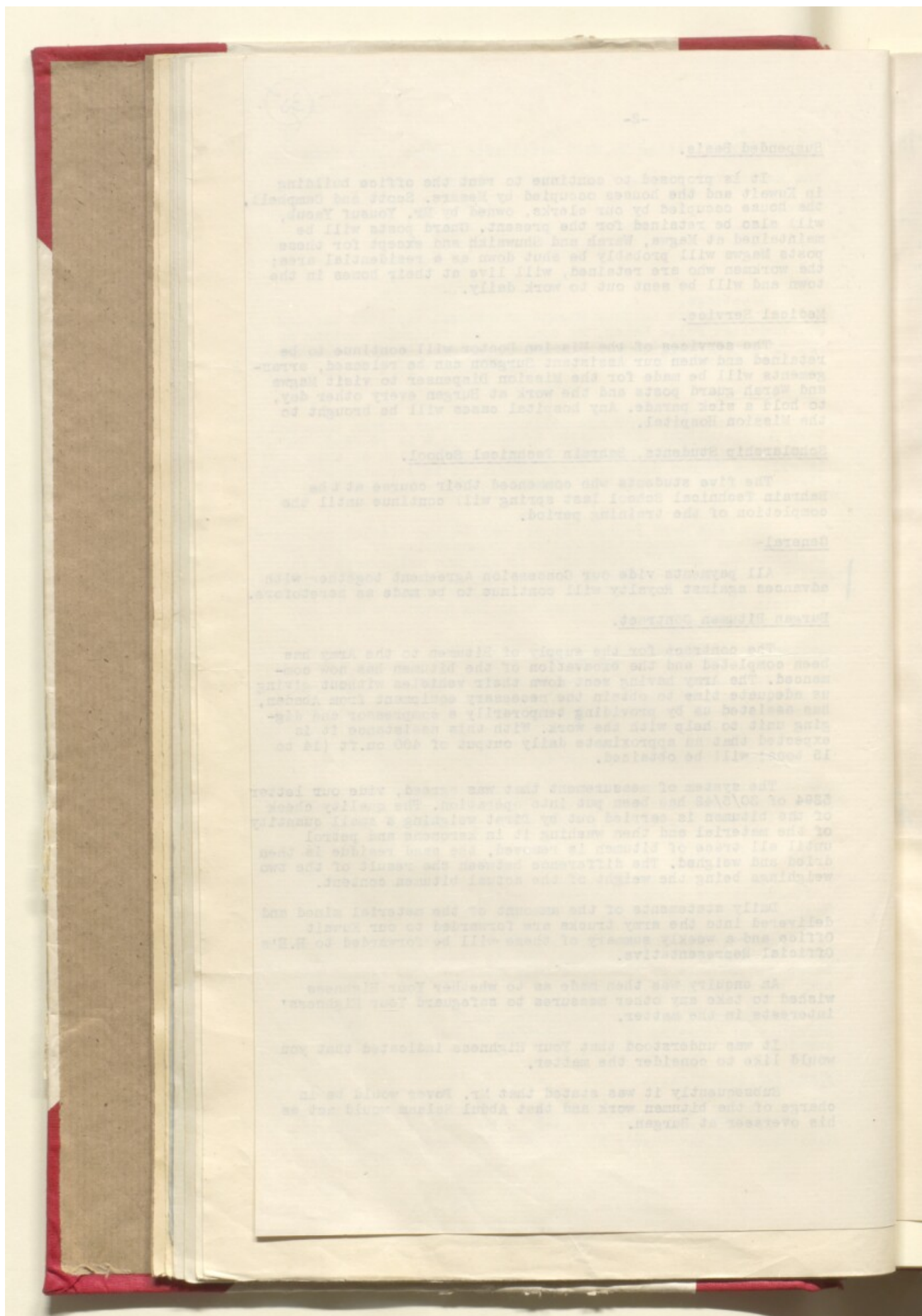
The system of measurement that was agreed, vide our letter 5294 of 30/5/42 has been put into operation. The quality check of the bitumen is carried out by first weighing a small quantity of the material and then washing it in kerosene and petrol until all trace of bitumen is removed, the sand residue is then dried and weighed. The difference between the result of the two weighings being the weight of the actual bitumen content.

Daily statements of the amount of the material mined and delivered into the army trucks are forwarded to our Kuwait Office and a weekly summary of these will be forwarded to H.H's Official Representative.

An enquiry was then made as to whether Your Highness wished to take any other measures to safeguard Your Highness' interests in the matter.

It was understood that Your Highness indicated that you would like to consider the matter.

Subsequently it was stated that Mr. Pover would be in charge of the bitumen work and that Abdul Salaam would act as his overseer at Burgan.



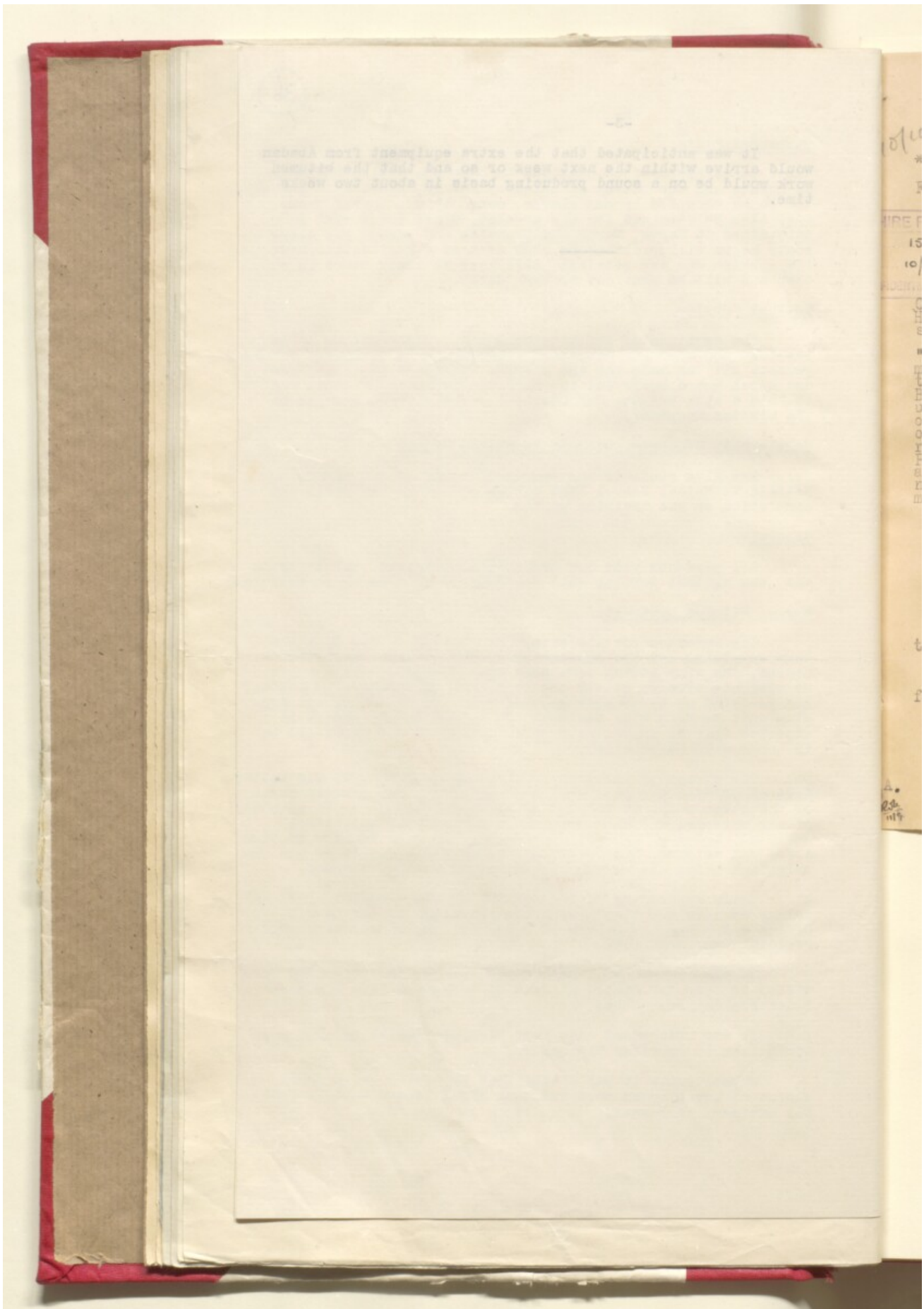




36

-3-

It was anticipated that the extra equipment from Abadan would arrive within the next week or so and that the bitumen work would be on a sound producing basis in about two weeks time.





86/1 37

Extract from enclosure to India Office letter  
No.E.&O.13850/42 of 27.7.42.

From: KUWAIT OIL CO. LTD. To: M/S KUWAIT OIL CO. LTD.  
KUWAIT, PERSIAN GULF. P.O. BOX NO. 6.  
1553 10/10/42 Dated 27th April, 1942.  
RESIDENTIAL RECORDS  
Cover contains a letter enclosed D/9.4.42 addressed to  
H.T. KEMP ESQ., of the above company, wherein writer  
states as follows:

"The Indians we are getting from India these days are  
mostly rotten to the core and I find it very difficult  
to keep things going. One cannot replace them with  
Britishers just now, and there are restrictions against  
using other than British subjects. We are at the height  
of a crisis with our accounts clerks just now, and the  
only thing I can see to do is to try to get permission to  
replace them from IRAQ.  
Recent enquiries from IRAQ, which I made before  
actually tackling the P.A. re this show that men will  
not leave IRAQ for KUWAIT, on less than about £.355/-per  
month, and so shall have one more try in INDIA."

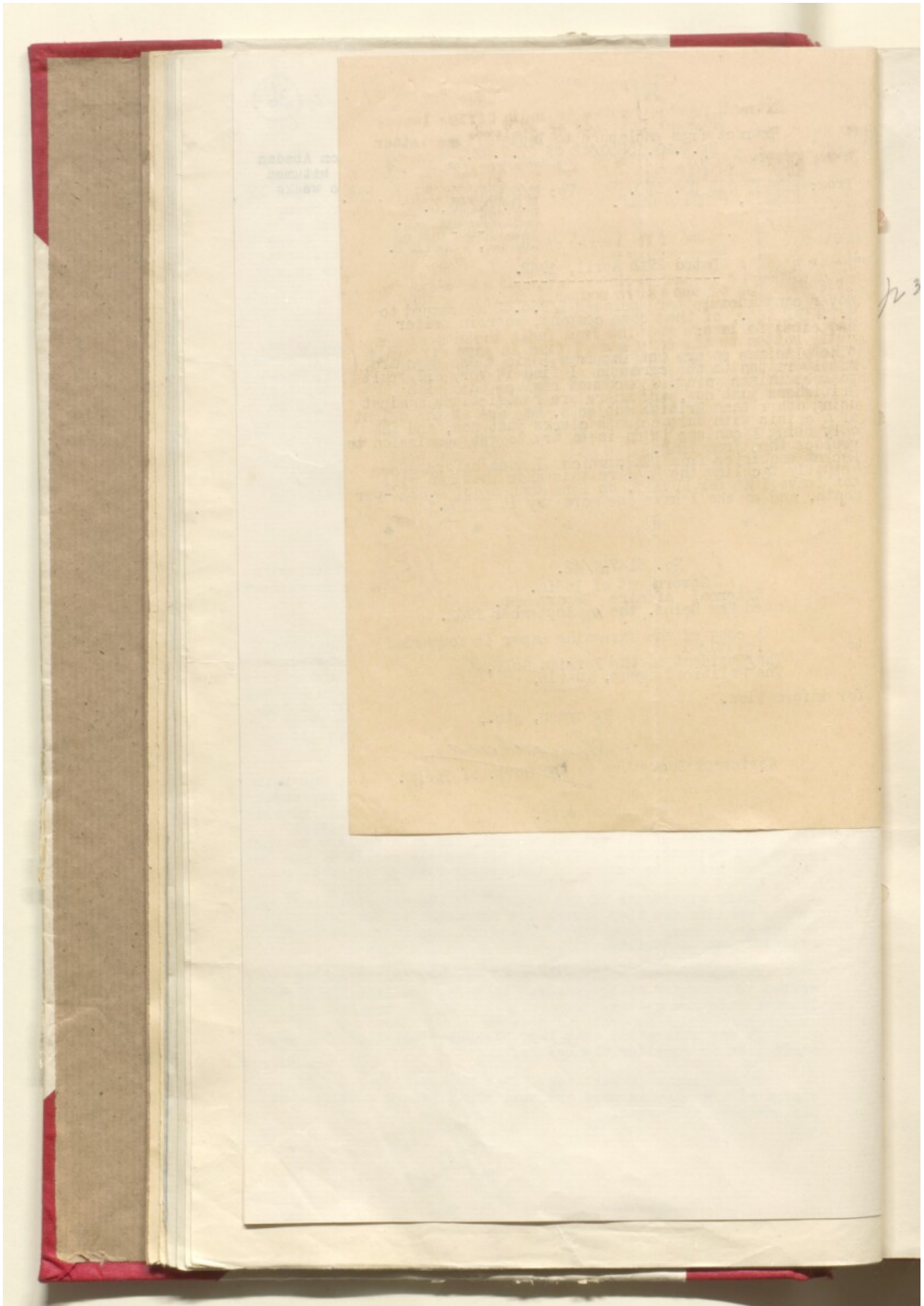
No. 6147-N/42. 16  
Government of India.  
External Affairs Department.  
Dated New Delhi, the 11th September 1942.

A copy of the foregoing paper is forwarded  
to  
The Political  
The Resident in the Persian Gulf, ✓  
The Political Agent, Kuwait,  
for information.

By order, etc.,  
*A. S. S. S. S.*  
Assistant Secretary to the Govt. of India.

with one spare copy.







CONFIDENTIAL

No. C/1110 -5/1

The Political Agent at Kuwait presents his compliments to

The Hon'ble the Political Resident  
in the Persian Gulf, Bushire.

and has the honour to transmit to him a copy of the undermentioned document(s).

POLITICAL AGENCY,  
KUWAIT.

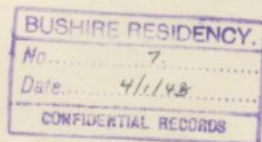
Dated the 23rd December, 1942.

Reference to previous correspondence:

Kuwait Agency Printed Letter No. C/152, dated the 8th April, 1940.

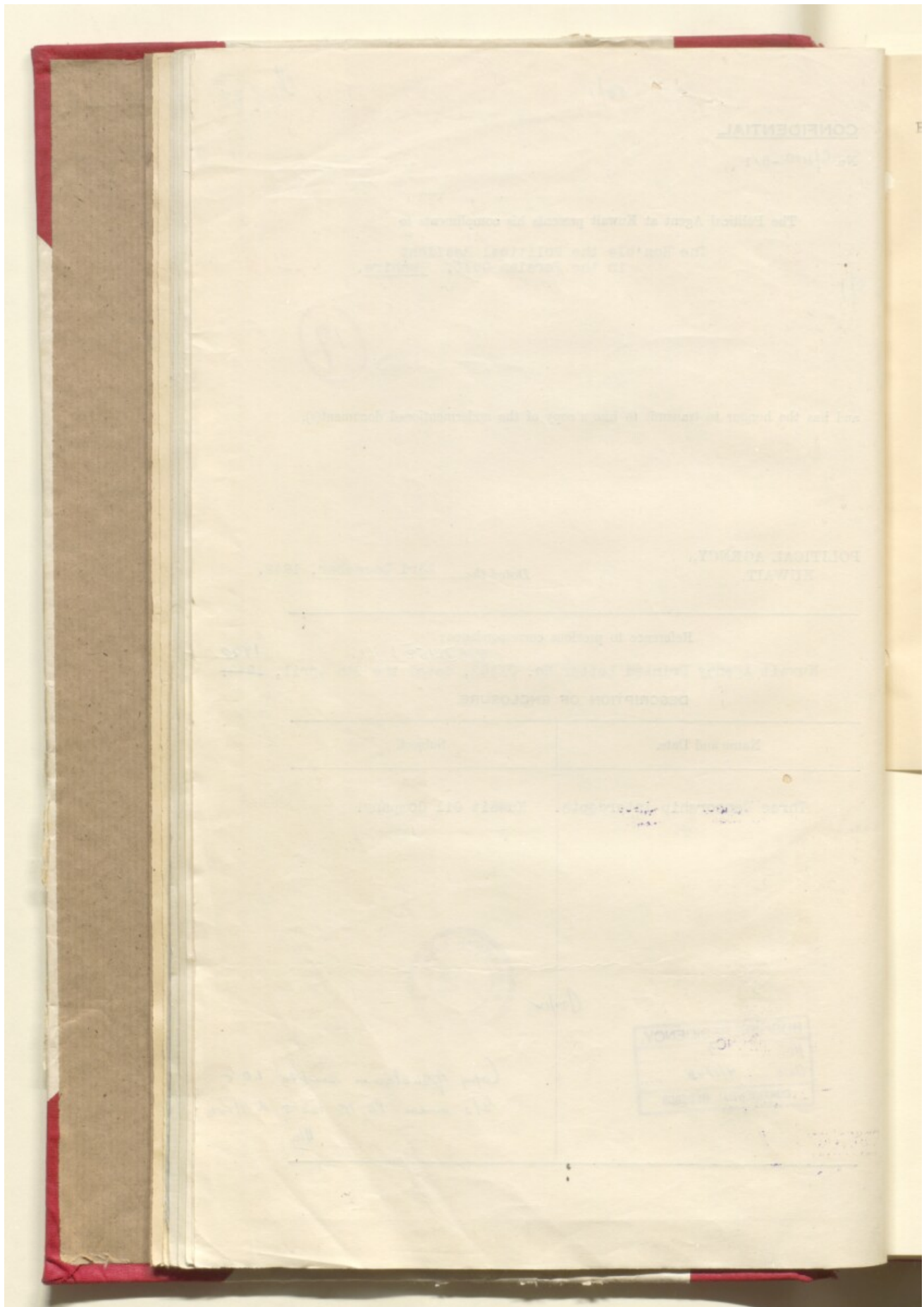
DESCRIPTION OF ENCLOSURE.

Name and Date.	Subject.
Three Censorship intercepts.	Kuwait Oil Company.



Copy of enclosure sent to I.O. &  
S/O under Pz. No 1235 d 7/1/43.  
4h







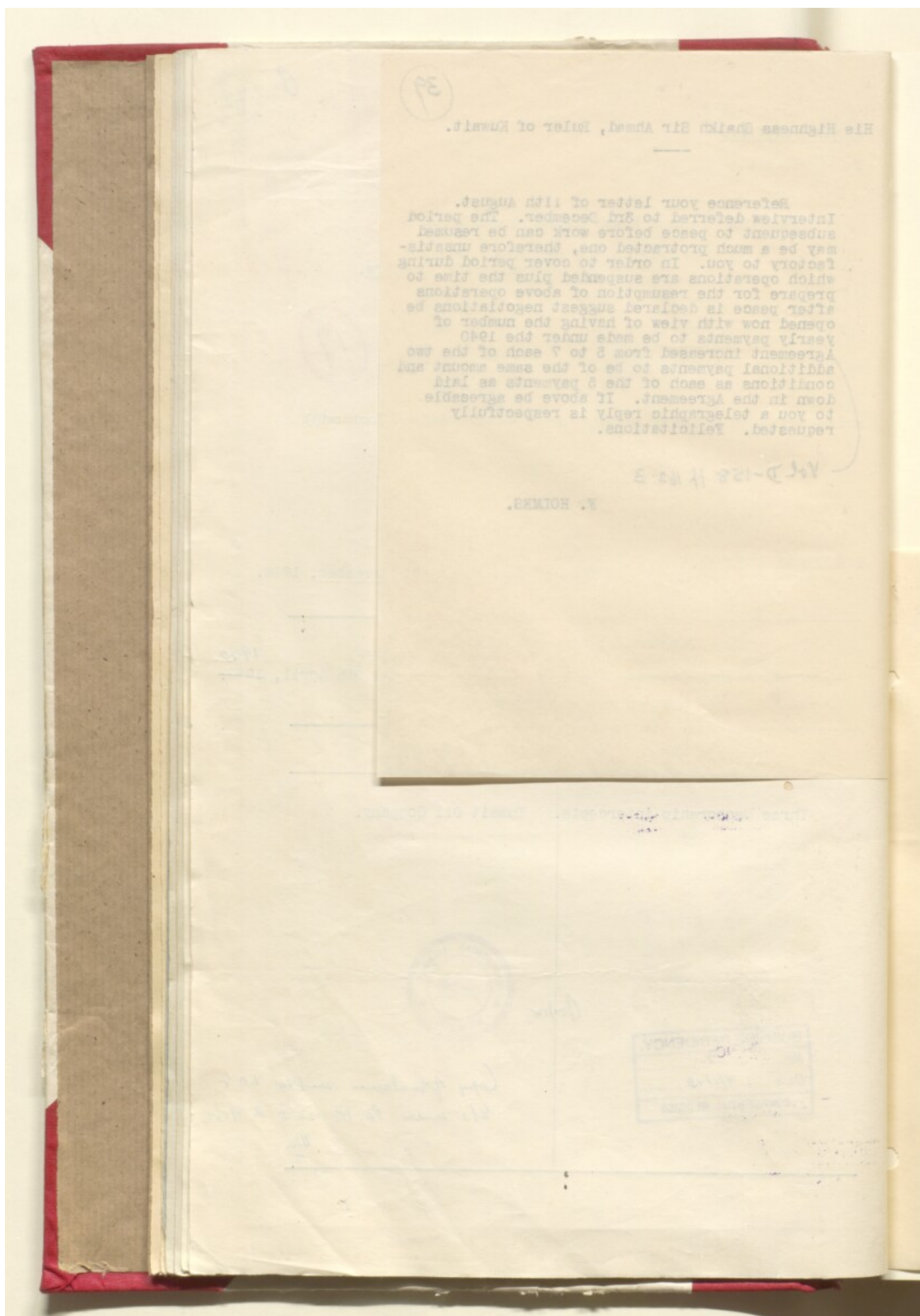
39

His Highness Shaikh Sir Ahmad, Ruler of Kuwait.

Reference your letter of 11th August.  
Interview deferred to 3rd December. The period  
subsequent to peace before work can be resumed  
may be a much protracted one, therefore unsatis-  
factory to you. In order to cover period during  
which operations are suspended plus the time to  
prepare for the resumption of above operations  
after peace is declared suggest negotiations be  
opened now with view of having the number of  
yearly payments to be made under the 1940  
Agreement increased from 5 to 7 each of the two  
additional payments to be of the same amount and  
conditions as each of the 5 payments as laid  
down in the Agreement. If above be agreeable  
to you a telegraphic reply is respectfully  
requested. Felicitations.

Vol D-158 H 162.3

F. HOLMES.





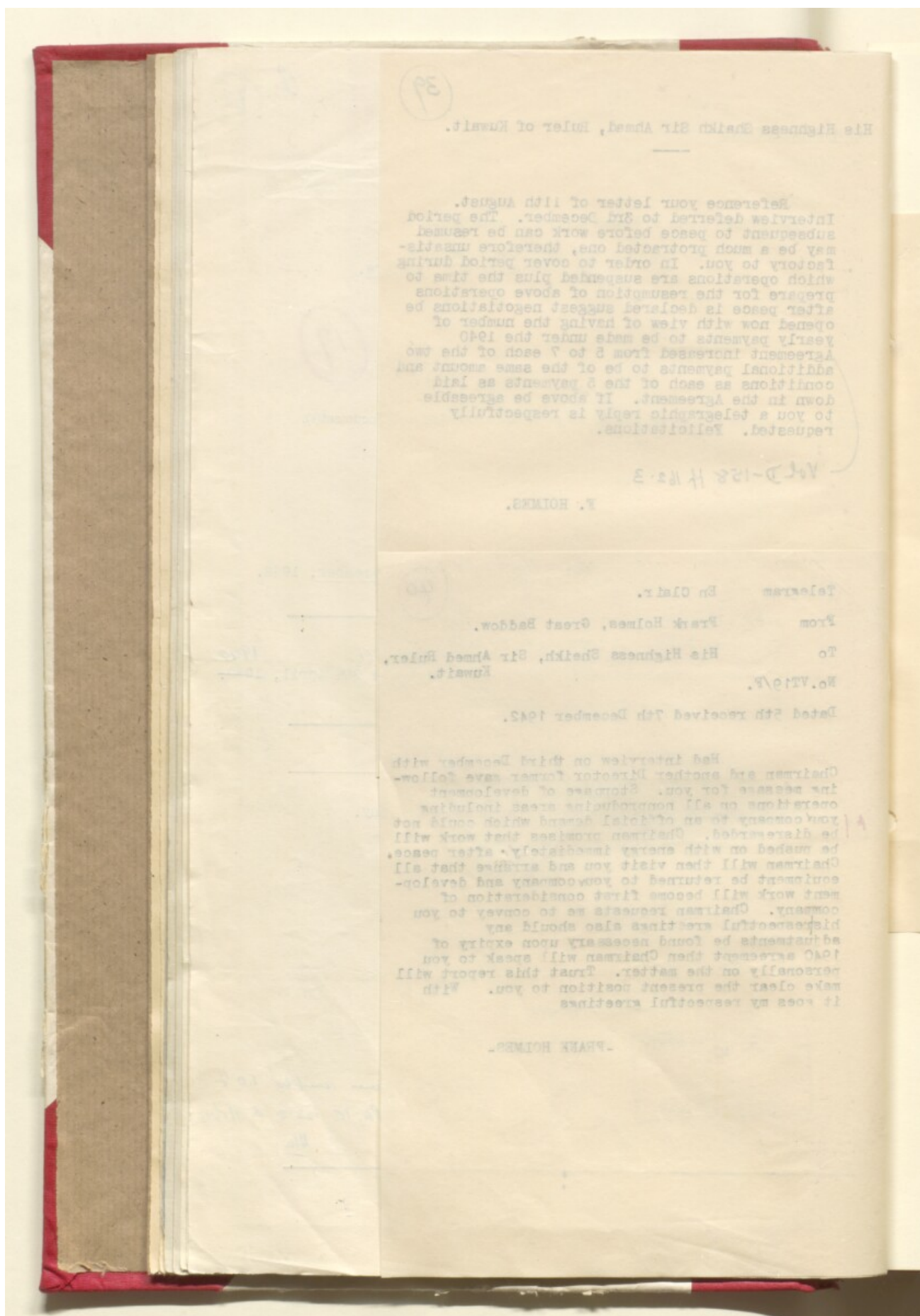


Telegram En Clair. (40)  
From Frank Holmes, Great Baddow.  
To His Highness Sheikh, Sir Ahmed Ruler,  
Kuwait.  
No.VT19/F.  
Dated 5th received 7th December 1942.

A Had interview on third December with  
Chairman and another Director former gave follow-  
ing message for you. Stoppage of development  
operations on all nonproducing areas including  
your company to an official demand which could not  
be disregarded. Chairman promises that work will  
be pushed on with energy immediately after peace.  
Chairman will then visit you and arrange that all  
equipment be returned to your company and develop-  
ment work will become first consideration of  
company. Chairman requests me to convey to you  
his respectful greetings also should any  
adjustments be found necessary upon expiry of  
1940 agreement then Chairman will speak to you  
personally on the matter. Trust this report will  
make clear the present position to you. With  
it goes my respectful greetings

-FRANK HOLMES-





His Highness Sheikh Sir Ahmed, Ruler of Kuwait.

Reference your letter of 15th August.  
Interview deferred to 3rd December. The period  
subsequent to peace before work can be resumed  
may be a much protracted one, therefore un-  
likely for you. In order to cover period during  
which operations are suspended plus the time to  
prepare for the resumption of above operations be  
after peace is declared suggest negotiations be  
opened now with view of having the number of  
yearly payments to be made under the 1940  
Agreement increased from 5 to 7 each of the two  
additional payments to be of the same amount and  
conditions as each of the 5 payments as laid  
down in the Agreement. It would be appreciable  
to you a telegraphic reply is respectfully  
requested. Yellatons.

W.D-128 H.W. 3

F. HOLMES.

Telegram  
To  
From  
Frank Holmes, Great Baddow.  
His Highness Sheikh Sir Ahmed Ruler,  
Kuwait.  
No. 128 H.W. 3  
Dated 25th December 1942.

Had interview on 25th December with  
Chairman and another Director. Have follow-  
ing message for you. Scheme of development  
concerning oil in non-producing areas including  
your company to an extent which could not  
be discussed. Chairman promises that work will  
be started with energy immediately after peace.  
Chairman will then visit you and arrange that all  
equipment be returned to your company and develop-  
ment work will become first consideration of  
company. Chairman requests me to convey to you  
disappointing news also should any  
adjustments be found necessary upon expiry of  
1940 agreement then Chairman will speak to you  
personally on the matter. Trust this report will  
make clear the present position to you. With  
it goes my respectful greetings

-FRANK HOLMES-

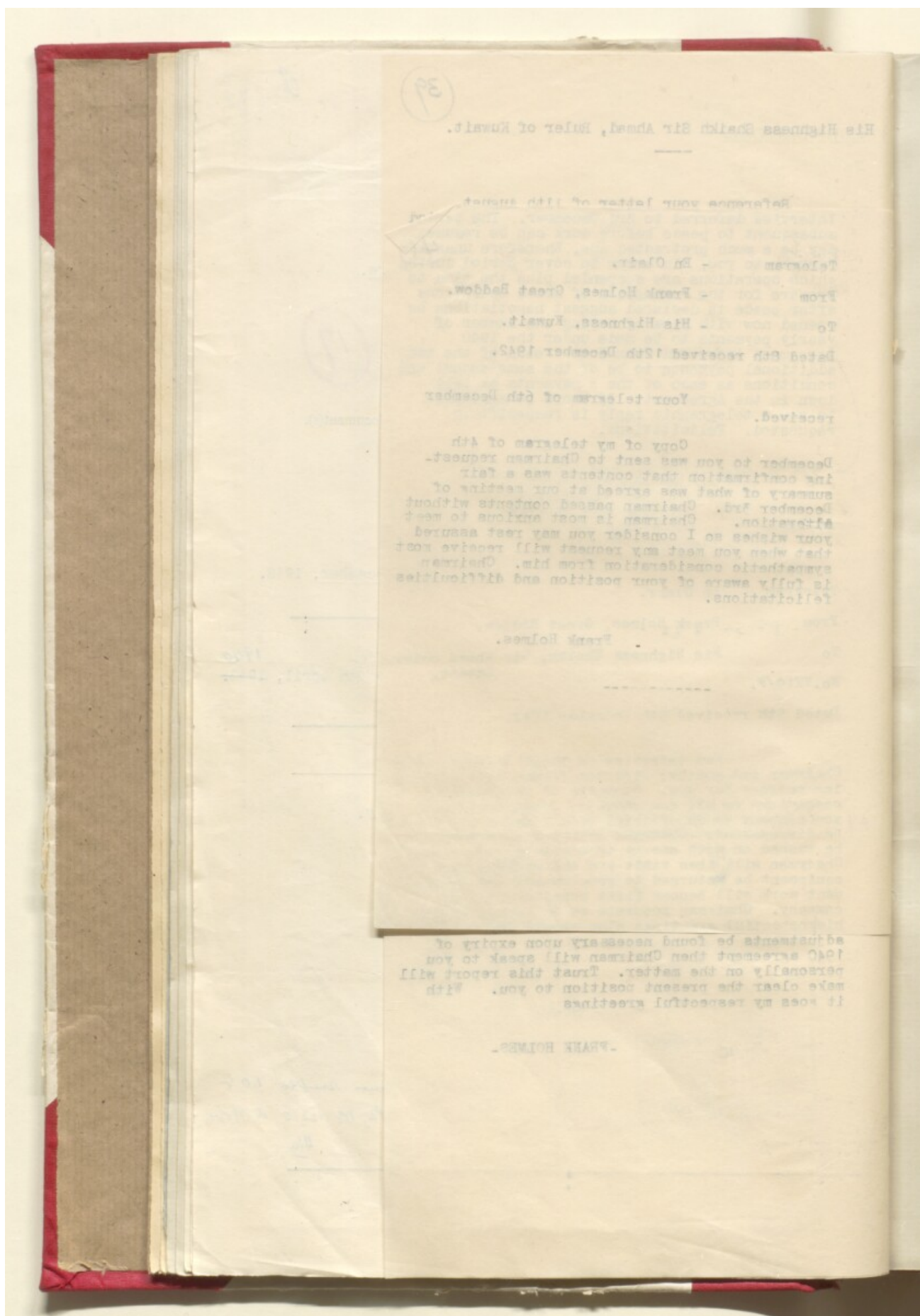


Telegram - En Clair. (41)  
From - Frank Holmes, Great Baddow.  
To - His Highness, Kuwait.  
Dated 8th received 12th December 1942.

Your telegram of 6th December received.

Copy of my telegram of 4th December to you was sent to Chairman requesting confirmation that contents was a fair summary of what was agreed at our meeting of December 3rd. Chairman passed contents without alteration. Chairman is most anxious to meet your wishes so I consider you may rest assured that when you meet any request will receive most sympathetic consideration from him. Chairman is fully aware of your position and difficulties felicitations.

Frank Holmes.  
-----







86/1 & 86/28. (42)

Telegram Q.  
From Political Agent, Kuwait  
To Political Resident, Bushire  
No.233  
Dated 12th, Received 13th April 1943 (18)

Kuwait Oil Company have received a telegram through the Consul General New York from Hamilton of Eastern Gulf Oil Company for Shaikh saying that Directors desire that Mr. Rhodes a Director of Kuwait Oil Company should visit London and Kuwait next month and asking if this will be convenient. He proposes to discuss matters left unfinished on his last visit three years ago. I presume he means sulphur. I propose if you see no objection to pass message to Shaikh and forward his answer to New York with copy to you.

Political.

P.A.T.B.

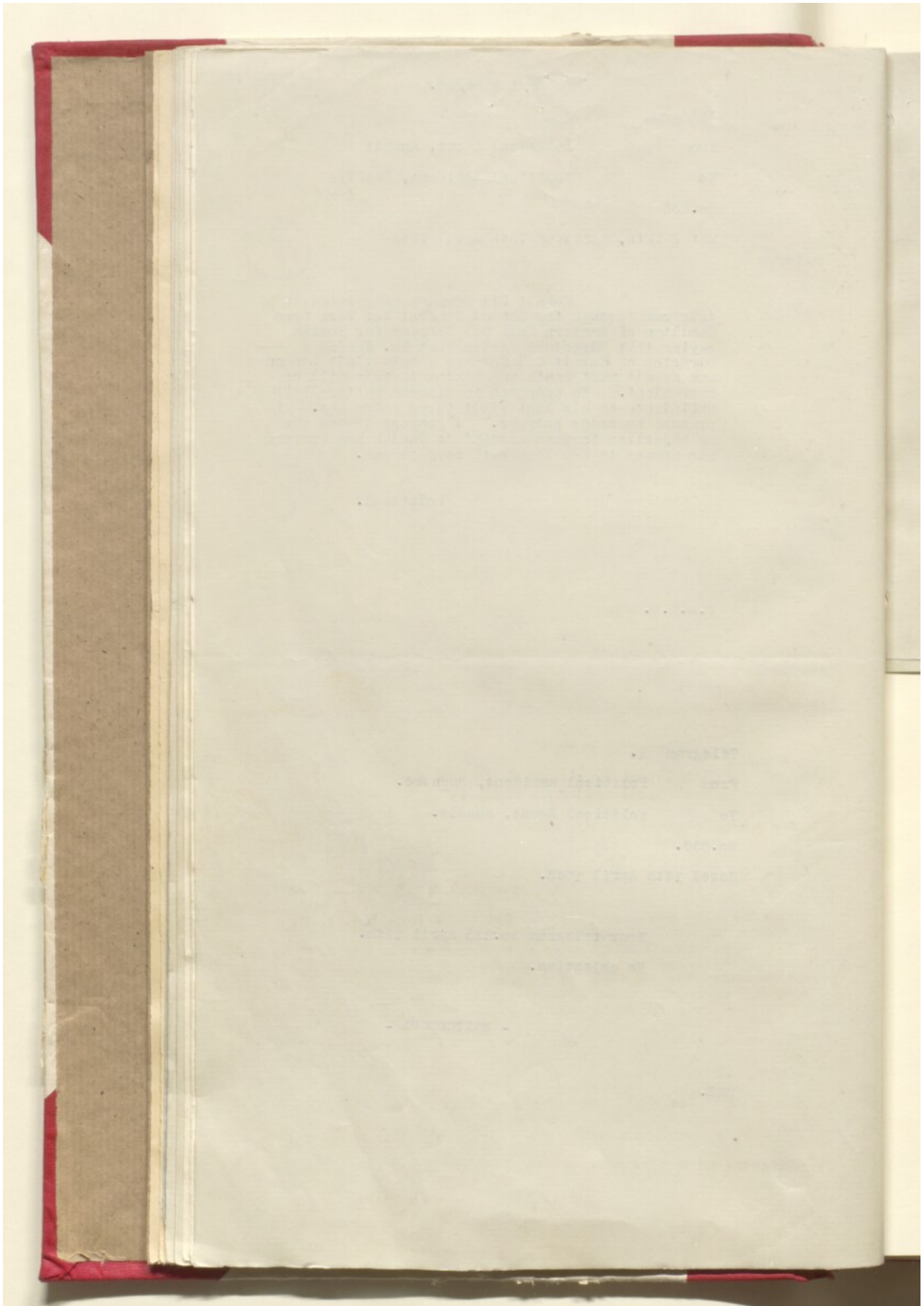
Telegram Q.  
From Political Resident, Bushire.  
To Political Agent, Kuwait.  
No.859.  
Dated 14th April 1943. (19)

Your telegram No.233 April 12th.  
No objection.

- BRITCONSUL -

RHL.







Telegram 86/1 & 86/28.  
From Inter Ordinary.  
To Political Agent, Kuwait.  
Repeated British Consul- General, New York.  
No 245. Political Resident, Bushire.  
Dated and received 18th April 1943.

43

20

Reference your telegram dated April 10th.

Following for Hamilton Eastern Gulf Oil Co  
begins.

Shaila has replied he does not remember there  
were any points regarding Eastern Gulf Oil Company which were  
left incomplete. He has, however, no objection to Mr Rhodes'  
proposed visit.

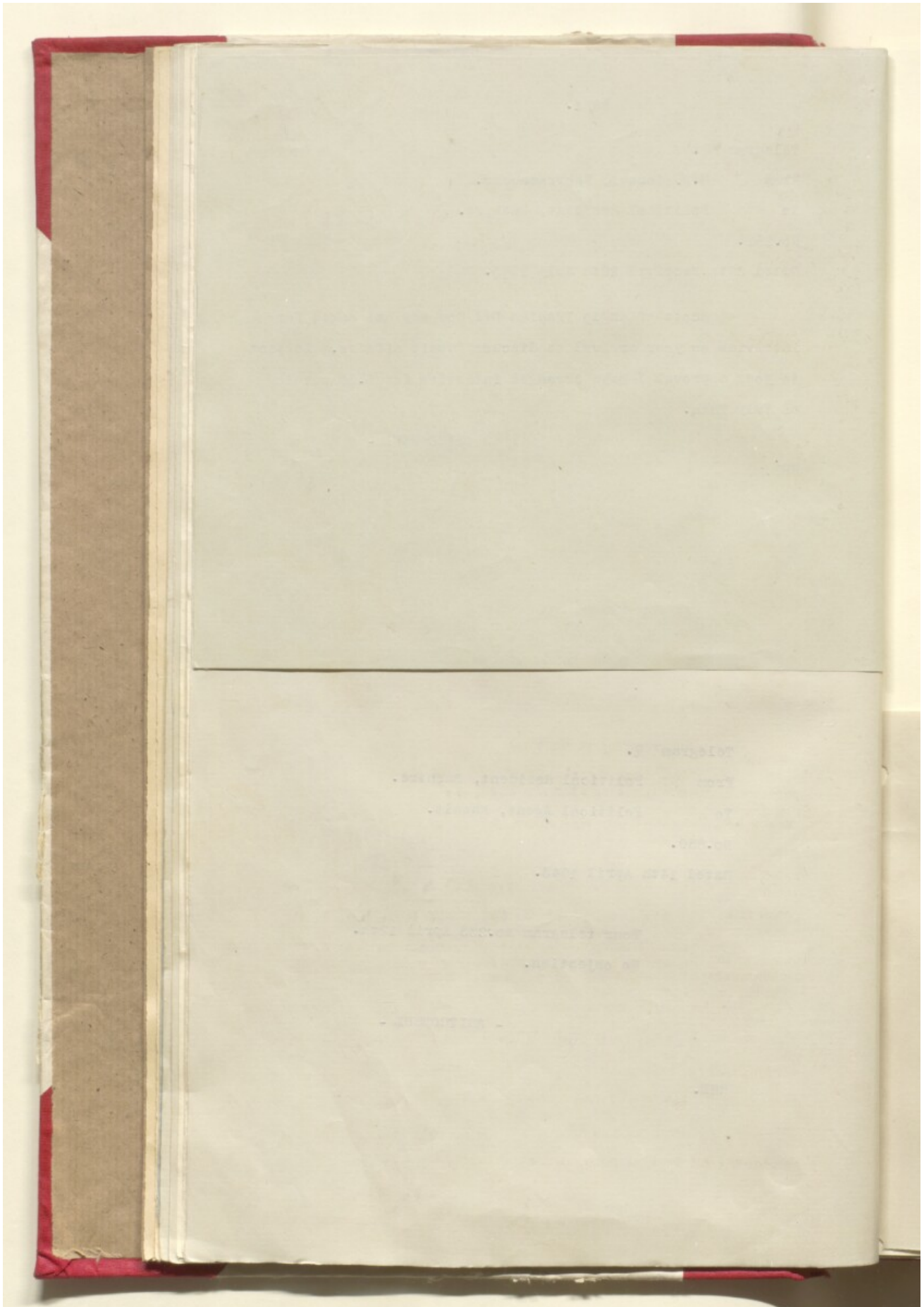
To Political Resident only.

S.19.

This refers to your telegram No 859 dated  
14th. April.

M.B.

Political.





Telegram 86/13, 86/1 & 86/28.  
From Political Agent, Kuwait.  
To Political Resident, Bushire.  
No 283.  
Dated 5th Received 6th May 1943.

(44)

(21)

S.20

Reference my telegram No 245 April 18th and my predecessor's Express Letter No 454 dated 26th June 1940.

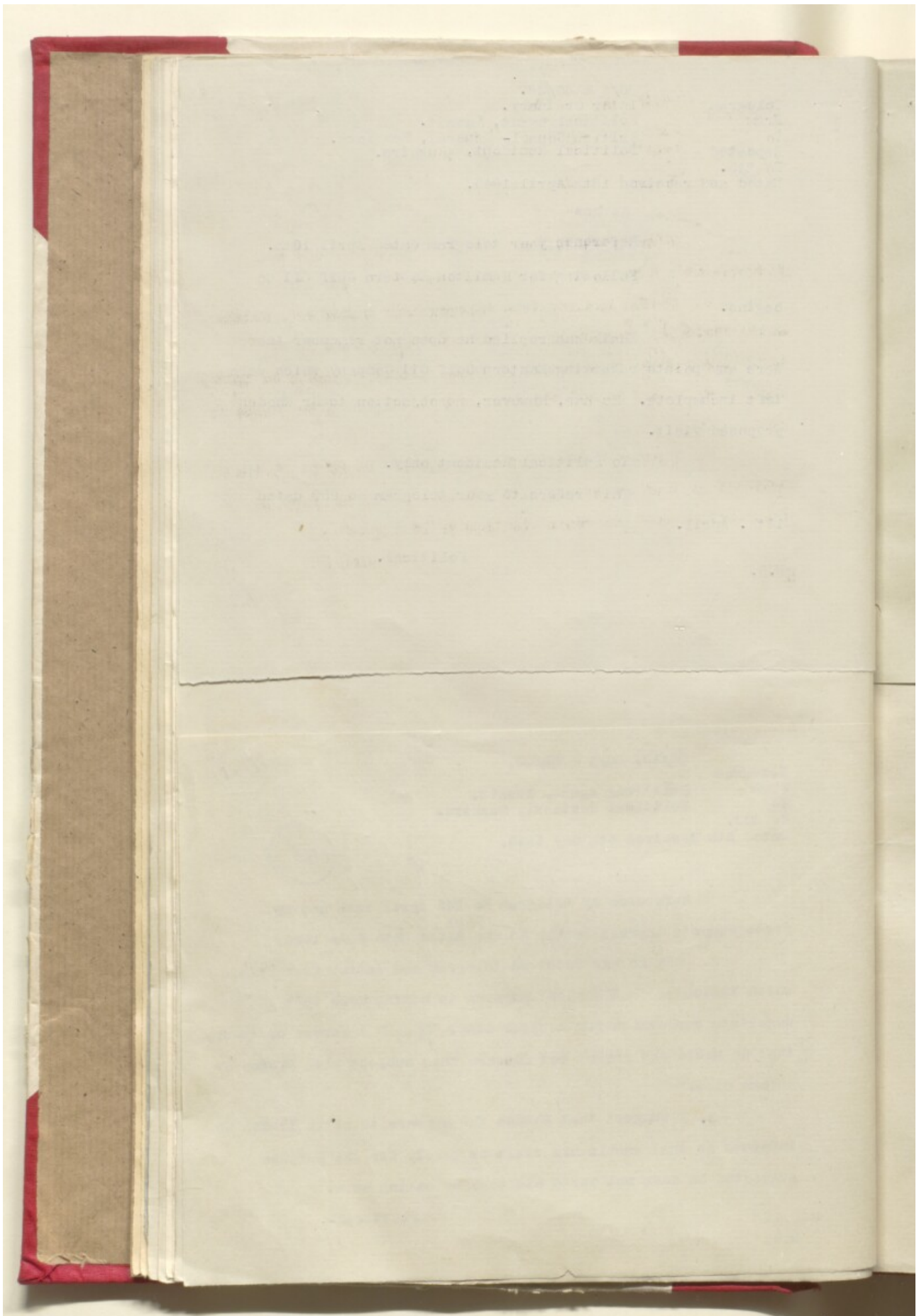
2. Shaikh has received telegram and letter from Holmes which indicates that Rhodes' purpose in coming here is to negotiate concession for neutral zone. Shaikh informed me to-day that he would not repeat not discuss this subject with Rhodes or anyone else.

3. I suggest that Rhodes who appears to be in London be informed so that should his visit be solely for the purpose suggested he does not waste his time by coming here.

- Political-

M.B.







86/1.

Telegram 2.

From H.M. Consul, Khorramshahr.

To Political Resident, Bushire.

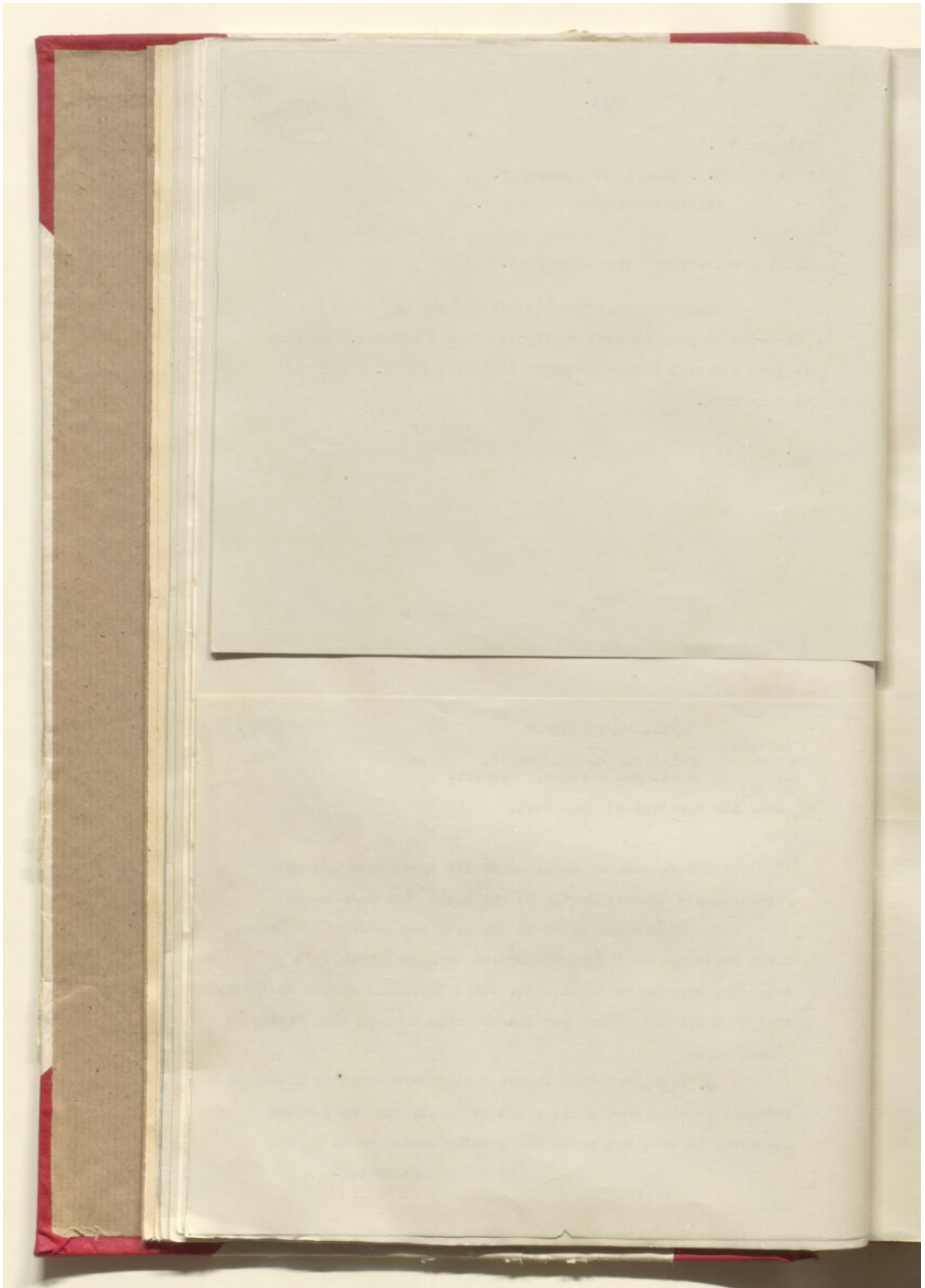
No.151.

Dated 26th received 28th July 1943.

Scott of Anglo Iranian Oil Company has asked for interview on your arrival to discuss Kuwait affairs. Subject to your approval I have arranged interview for 5.30 evening of July 28th.

- BRITCONSUL -

RHL.







86/1.

Telegram S.  
From Political Resident, Bushire.  
To Secretary of State for India, London.  
Repeated Government of India, New Delhi.  
No.1661.  
Dated 31st July 1943.

23

Kuwait Oil Company instructed Scott to see me on recent visit to Khorramshahr. He explained that Company had instructed him to proceed urgently with plans for post-war developments on large scale and that my advice was desired concerning tanker anchorages and a piped water supply of 2 million gallons per day.

2. After discussion I told him that subject to expert opinion best site for tanker anchorages was in DUHAT KADHAMA (Admiralty chart of Kuwait harbour and approaches) and this apparently coincided with technical advice they had received. He said that there was no plan to use Khor Abdullah which would involve unnecessary extension of pipe-lines.

3. I advised him in any negotiations with the Iraqis to make it very clear that Company were in no way bound to pipe line and could supply themselves easily by tanker from Shatt al Arab, and suggested that their American element might be useful stalking horse with Iraqis as they would be more reluctant to offend United States interests after war. I also drew attention to possibilities of obtaining existing military water pipe-line to Shaiba after the war when it will presumably be a white elephant.

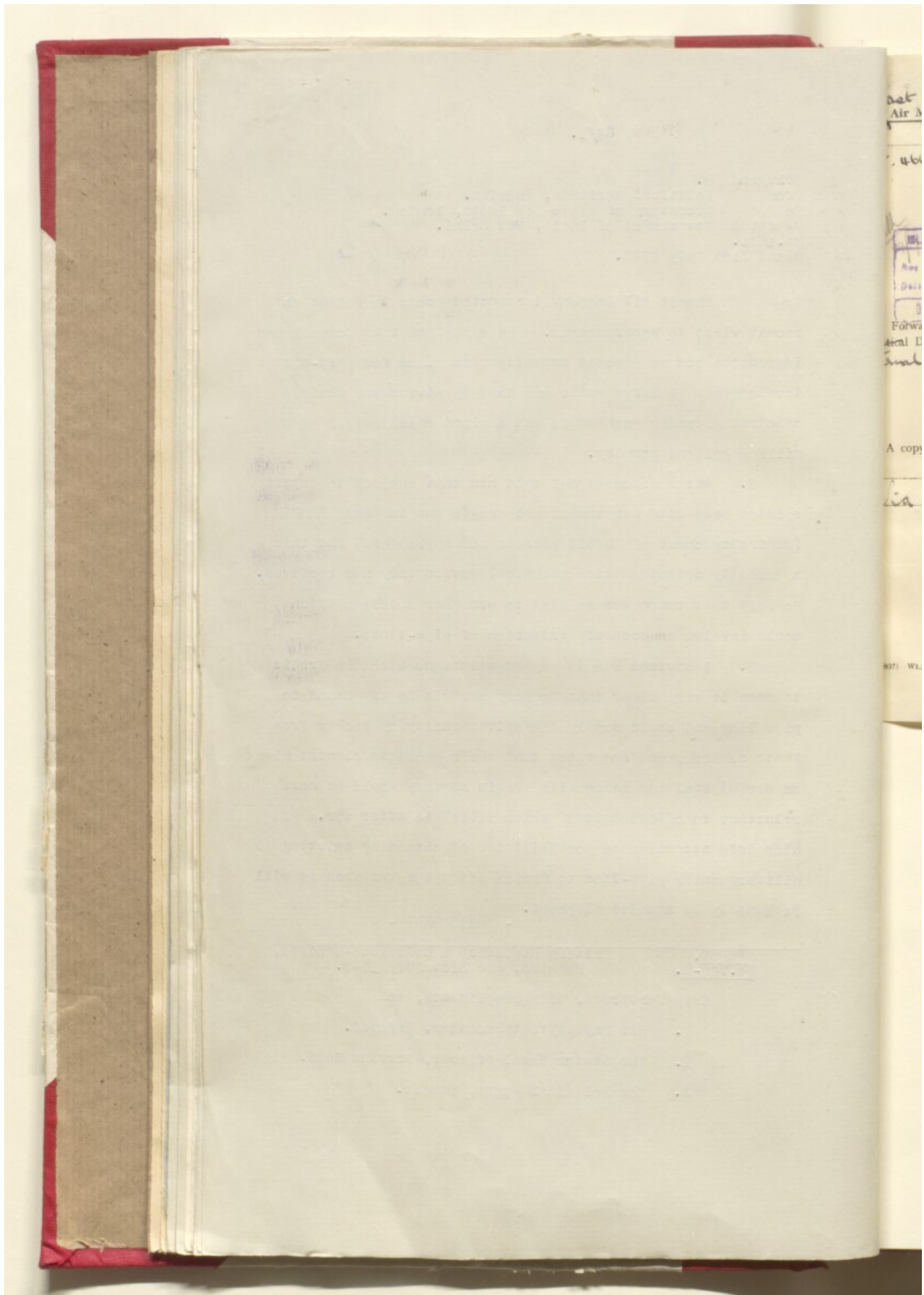
- BRITCONSUL -

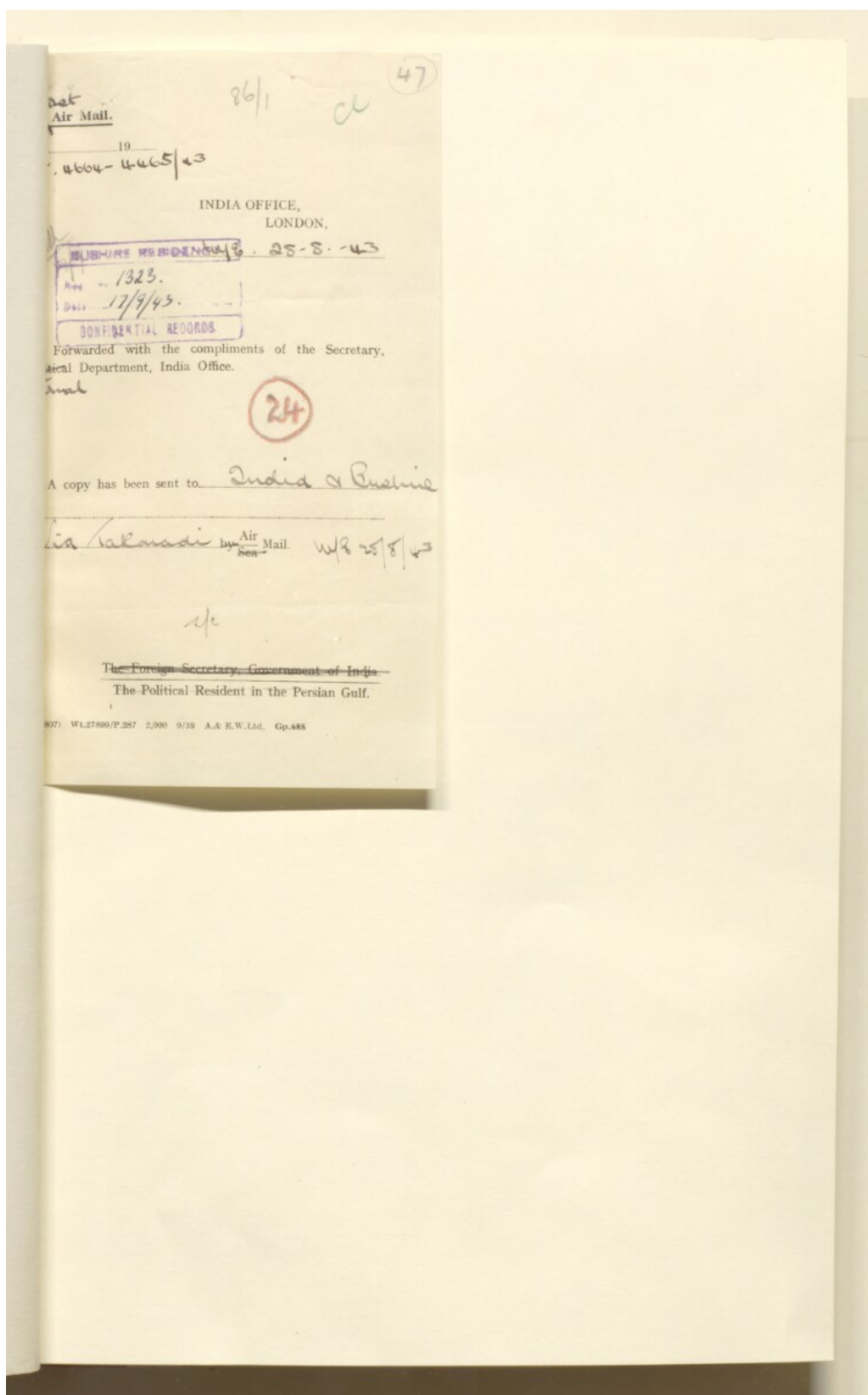
SECRET. British Residency & Consulate-General,  
No.708-S. Bushire, the 31st July 1943.

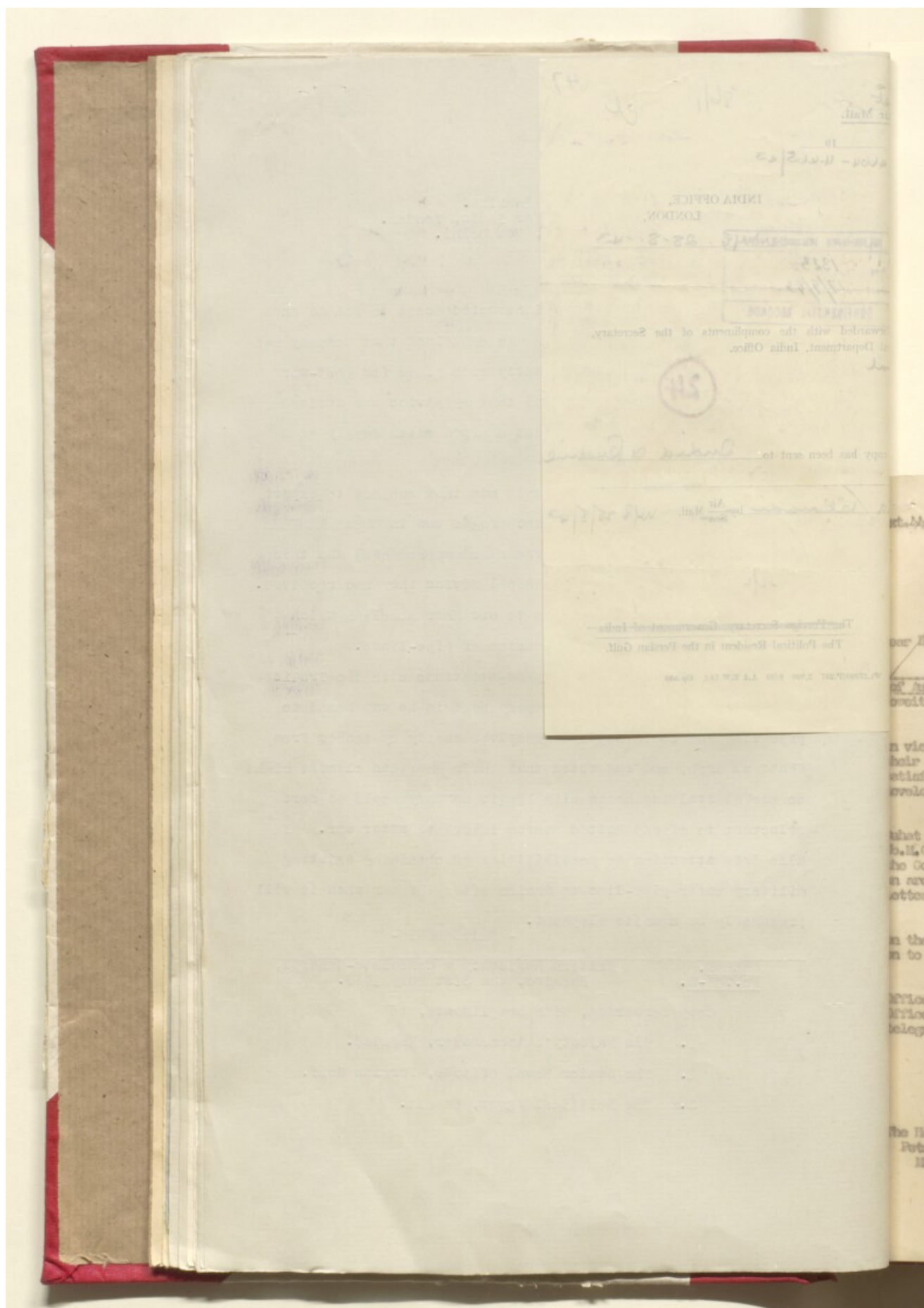
Copy forwarded, with compliments, to

1. His Majesty's Ambassador, Baghdad.
2. The Senior Naval Officer, Persian Gulf.
3. The Political Agent, Kuwait.

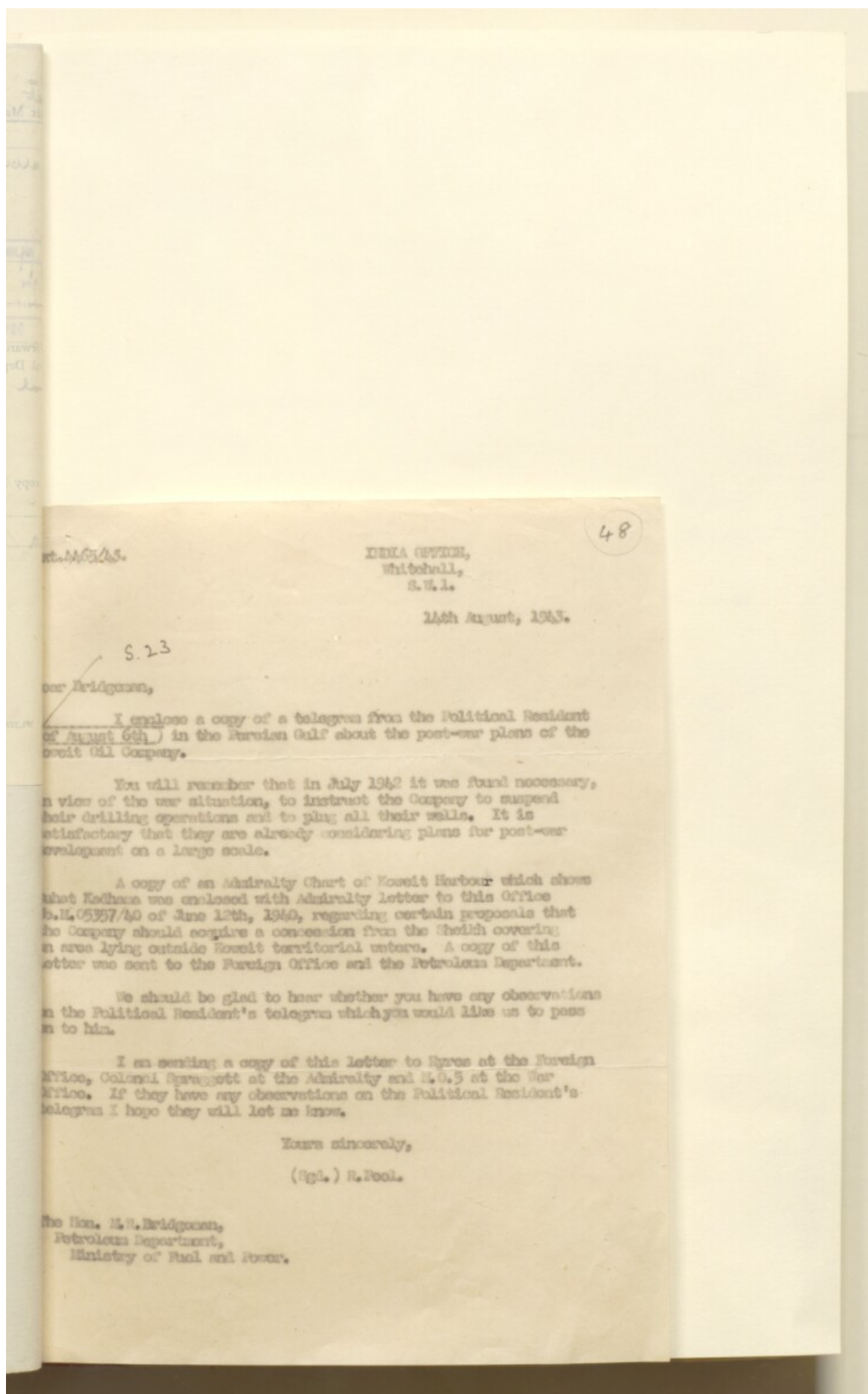












Mr. Bridges.

INDIA OFFICE,  
Whitehall,  
S.W.1.

48

22nd August, 1943.

S.23

Mr. Bridges,

I enclose a copy of a telegram from the Political Resident of August 6th in the Persian Gulf about the post-war plans of the Kuwait Oil Company.

You will remember that in July 1942 it was found necessary, in view of the war situation, to instruct the Company to suspend their drilling operations and to plug all their wells. It is satisfactory that they are already considering plans for post-war development on a large scale.

A copy of an Admiralty Chart of Kuwait Harbour which shows that Kadhman was enclosed with Admiralty letter to this Office B.L. 6597/40 of June 12th, 1940, regarding certain proposals that the Company should acquire a concession from the Sheikh covering an area lying outside Kuwait territorial waters. A copy of this letter was sent to the Foreign Office and the Petroleum Department.

We should be glad to hear whether you have any observations on the Political Resident's telegram which you would like us to pass on to him.

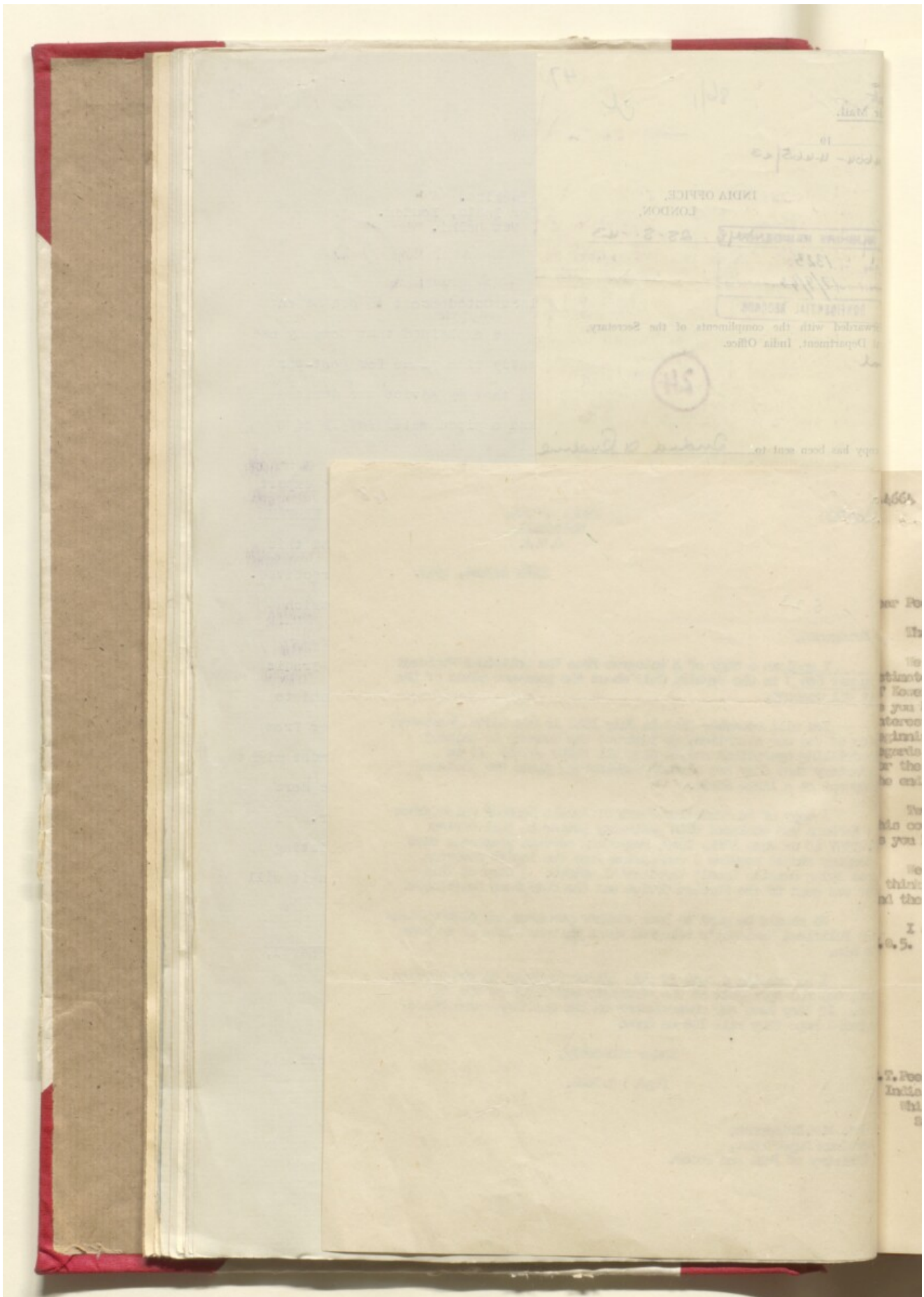
I am sending a copy of this letter to Sykes at the Foreign Office, Colonel Spraggett at the Admiralty and H.O. 5 at the War Office. If they have any observations on the Political Resident's telegram I hope they will let me know.

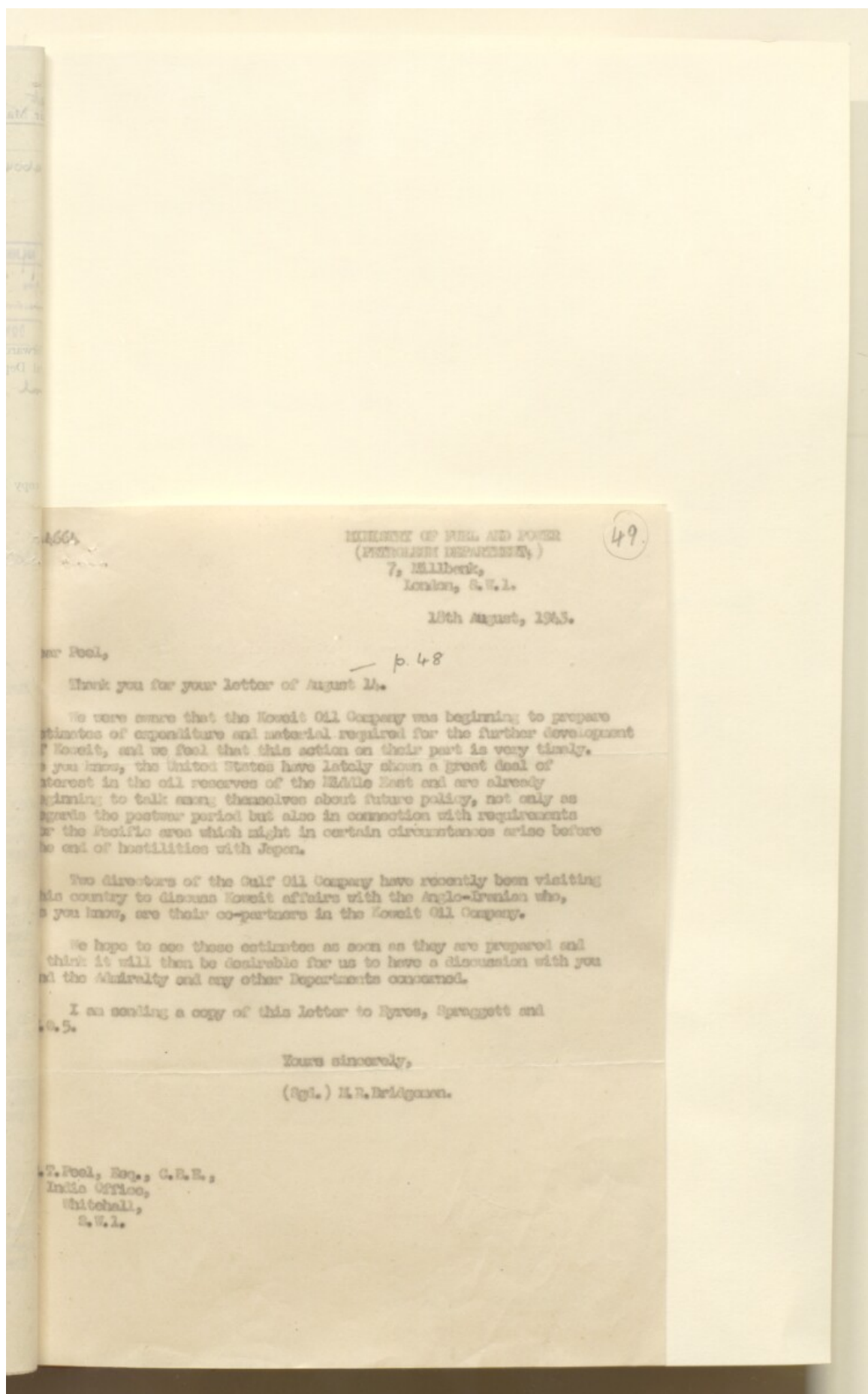
Yours sincerely,

(Sgt.) R. Peel.

The Hon. H.R. Bridges,  
Petroleum Department,  
Ministry of Fuel and Power.







MINISTRY OF FUEL AND POWER  
(PETROLEUM DEPARTMENT)  
7, MILLBANK,  
LONDON, S.W.1.

49

10th August, 1943.

Mr Peel,

p. 48

Thank you for your letter of August 11.

We were aware that the Kuwait Oil Company was beginning to prepare estimates of expenditure and material required for the further development of Kuwait, and we feel that this action on their part is very timely. As you know, the United States have lately shown a great deal of interest in the oil reserves of the Middle East and are already beginning to talk among themselves about future policy, not only as regards the postwar period but also in connection with requirements for the Pacific area which might in certain circumstances arise before the end of hostilities with Japan.

Two directors of the Gulf Oil Company have recently been visiting this country to discuss Kuwait affairs with the Anglo-Iranian who, as you know, are their co-partners in the Kuwait Oil Company.

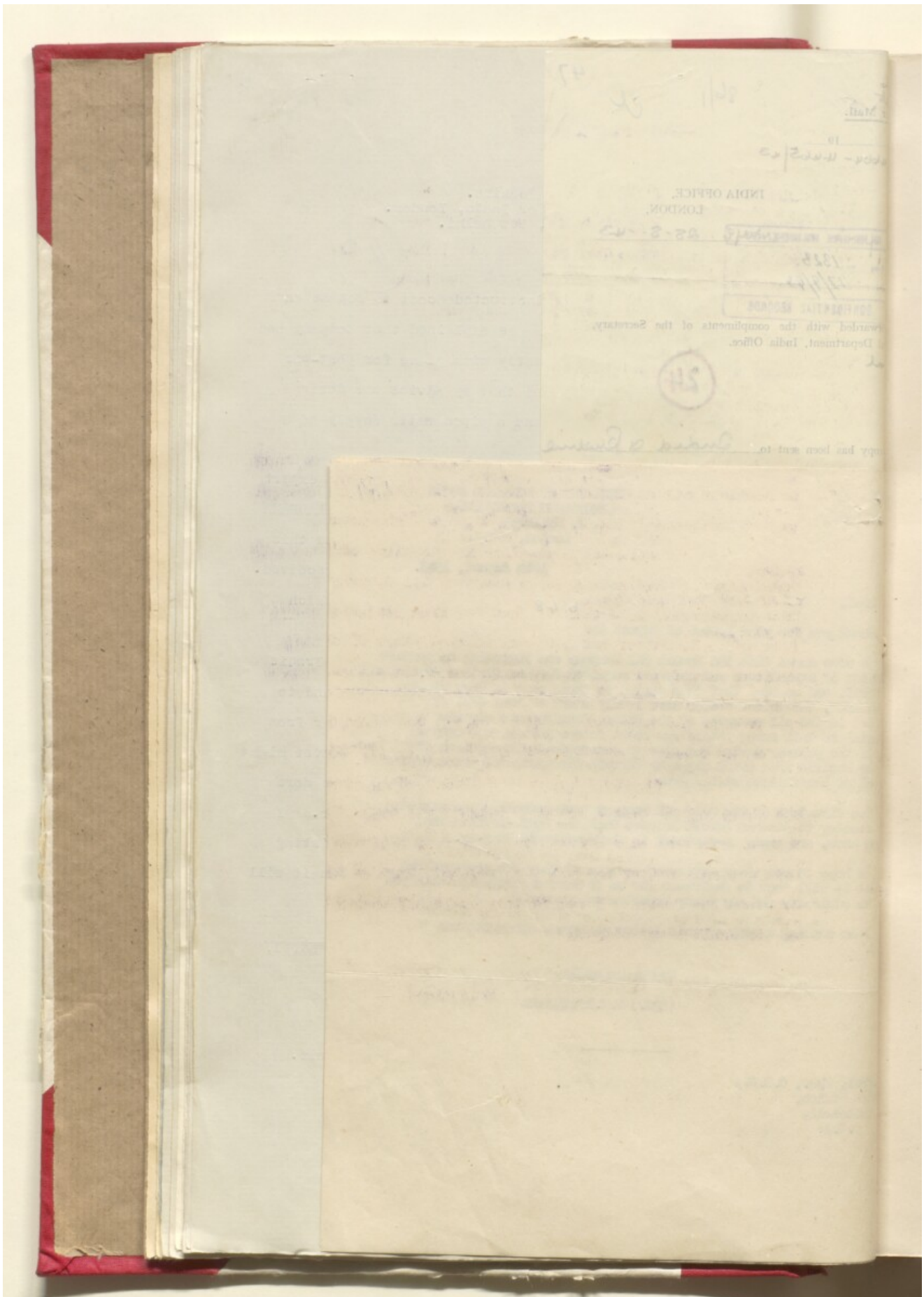
We hope to see these estimates as soon as they are prepared and think it will then be desirable for us to have a discussion with you and the Admiralty and any other Departments concerned.

I am sending a copy of this letter to Ryves, Spraggett and S.S.

Yours sincerely,

(Sgt.) H.R. Bridgman.

Mr. Peel, Esq., C.B.E.,  
India Office,  
Whitehall,  
S.W.1.







86/31, 86/1 & 86/5

Telegram S  
From Political Resident, Bushire.  
To Secretary of State for India, London.  
Repeated Government of India, New Delhi.  
Political Agent, Kuwait.  
Political Agent, Bahrain.

No.352

Dated 10th February 1944.

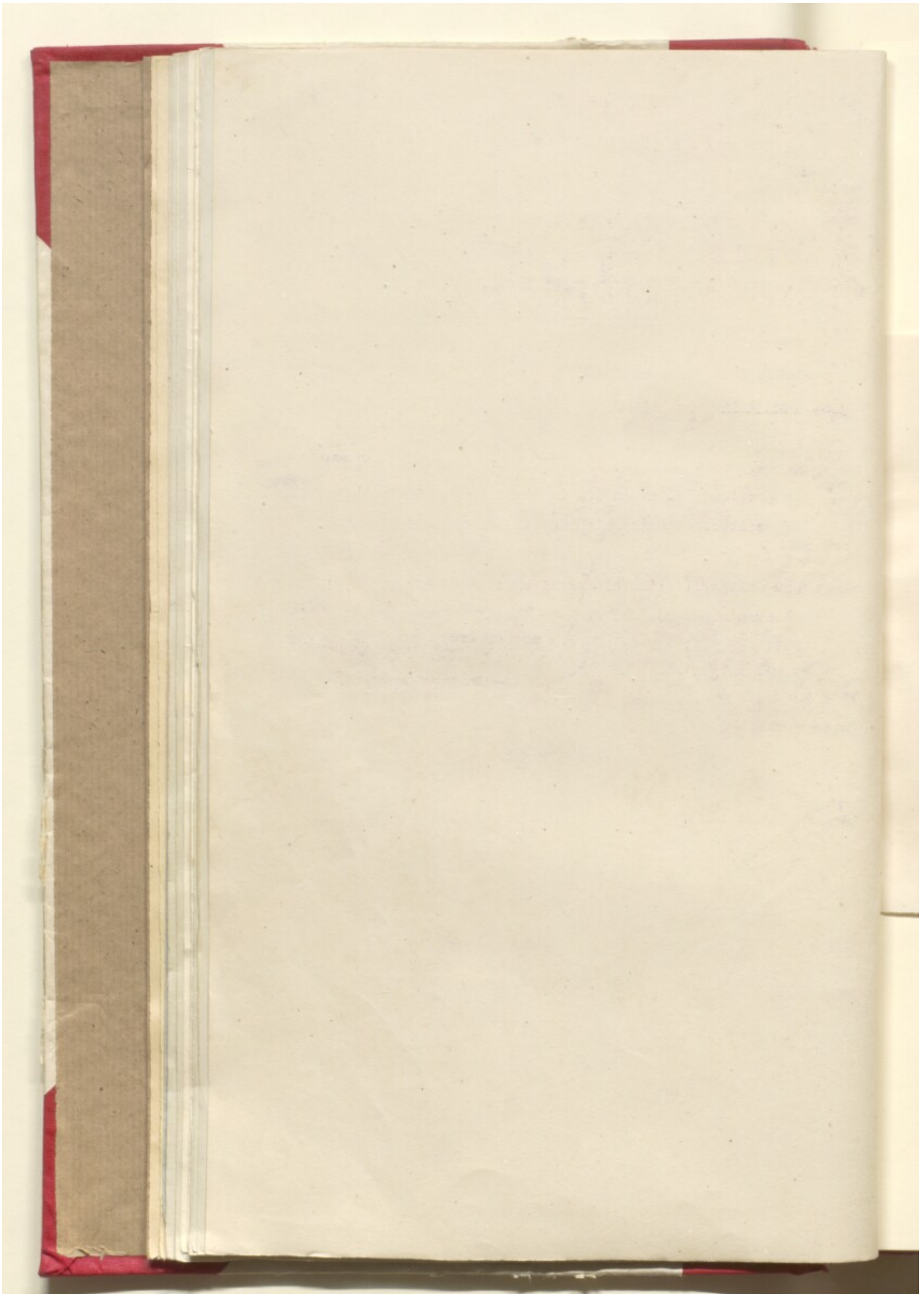
Immediate

While in Cairo I saw many references in Press to American oil expansion in Saudi Arabia including pipeline to Mediterranean in which Kuwait was to be interested.

2. Oriental Counsellor knew nothing of proposals and Ohliger (California Arabian Standard Oil Company's Dhahran manager) told Jackson that far from projects being fait accompli matter had not even reached stage of asking Congress for funds. I see Foreign Secretary stated matter was in preliminary stages.

Britconsul







86/31, 86/1 & 86/5.

Telegram 3.

From Political Agent, Kuwait.

To Political Resident, Bushire.

No. 109.

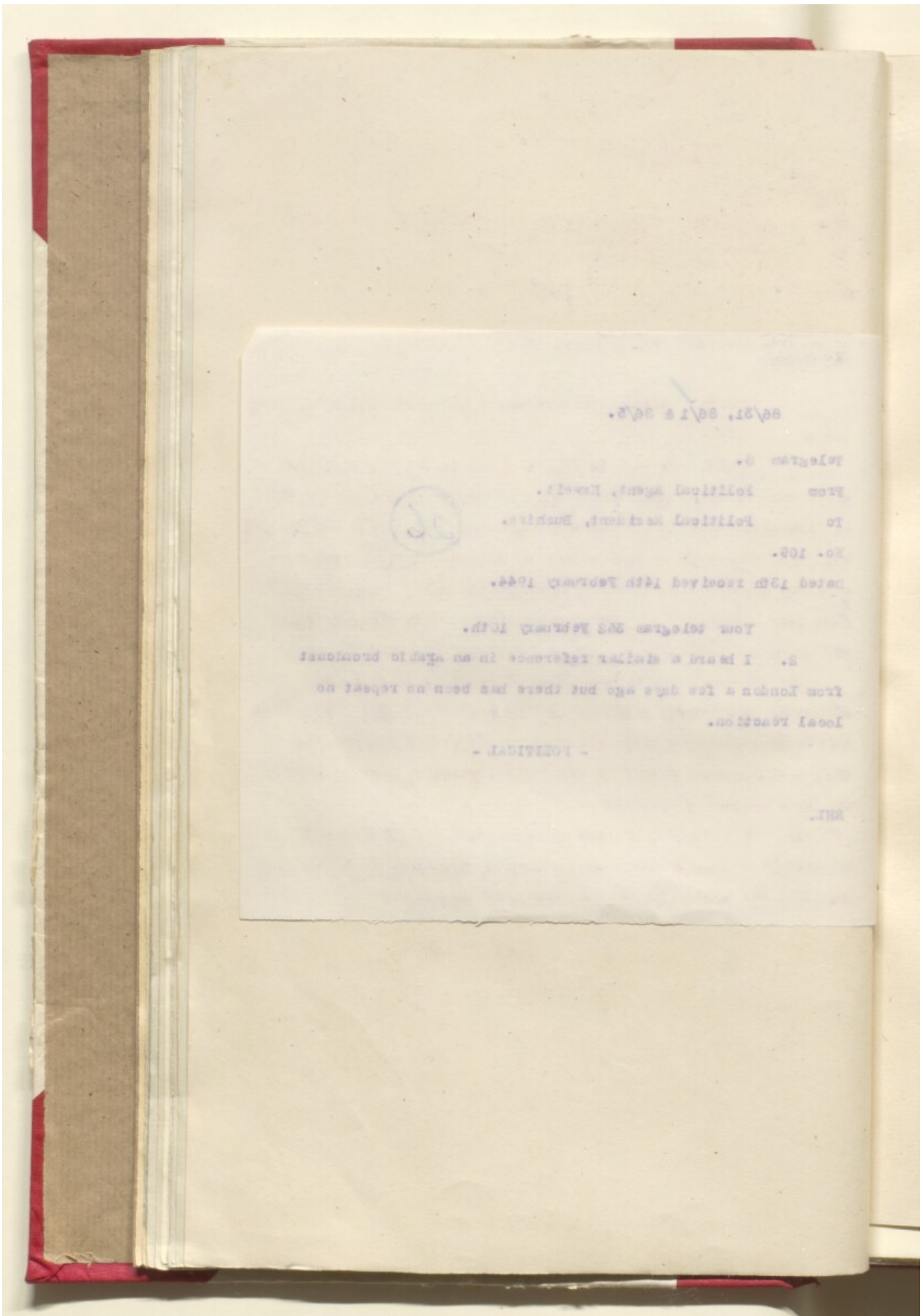
Dated 13th received 14th February 1944.

Your telegram 352 February 10th.

2. I heard a similar reference in an Arabic broadcast from London a few days ago but there has been no repeat no local reaction.

- POLITICAL -

RHL.







52

86/1 & 86/31.

Telegram S.

From Secretary of state for India, London.

To Government of India, New Delhi.

Repeated Political Resident, Bushire.  
Political Agent, Kuwait.

No. 4041.

Dated 17th received 19th February 1944.

IMPORTANT.

27

file 86/31

Political Resident's telegram T/890 dated September 27th 1943.

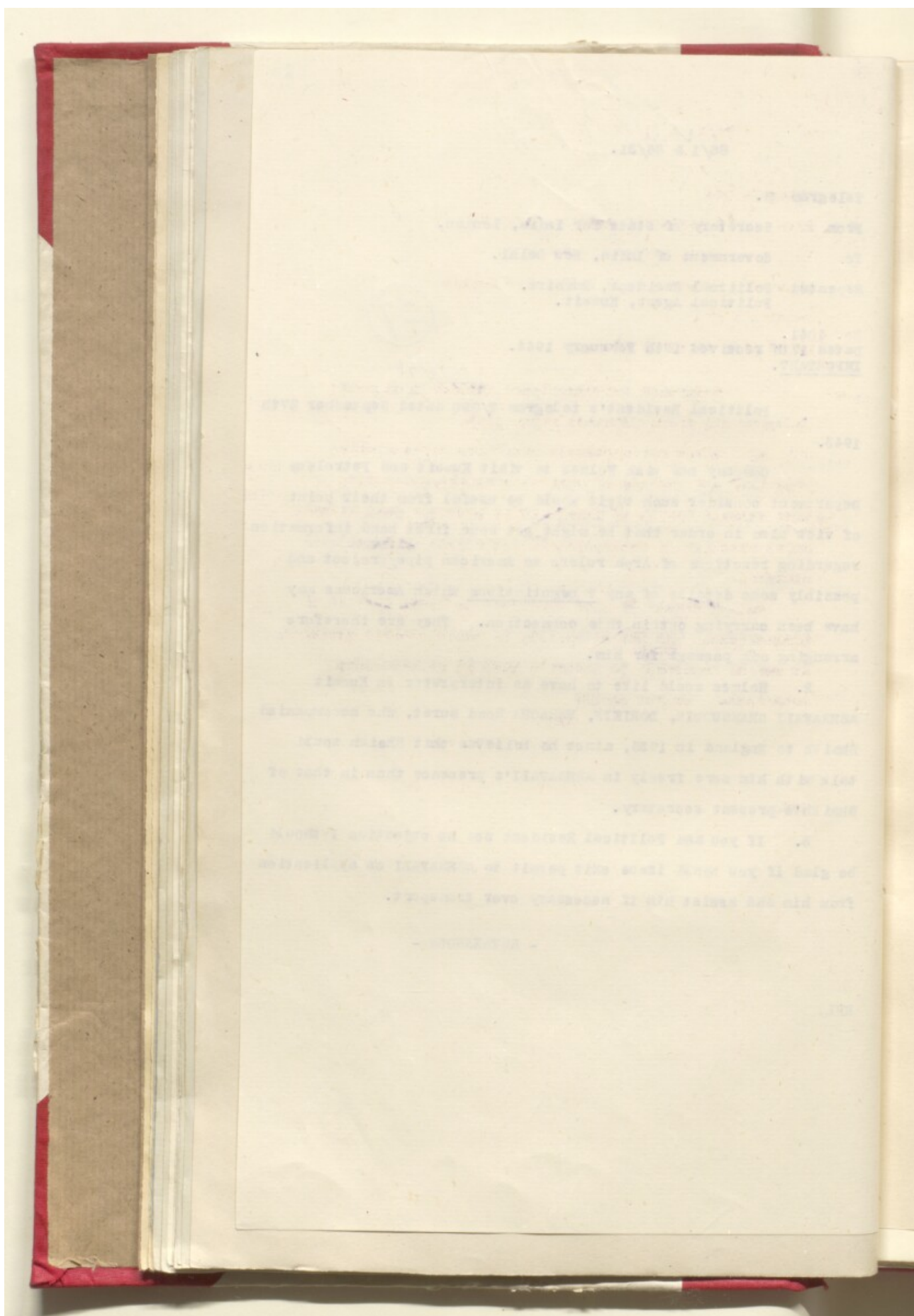
Company now wish Holmes to visit Kuwait and Petroleum Department consider such visit would be useful from their point of view also in order that he might get some first hand information regarding reactions of Arab rulers to American pipe <sup>-line</sup> project and possibly some details of any ? negotiations which Americans may have been carrying out in this connection. They are therefore arranging air passage for him.

2. Holmes would like to have as interpreter in Kuwait ASHRAFALI SHAMSUDDIN, DORIKIN, VARACHA Road Surat, who accompanied Shaikh to England in 1935, since he believes that Shaikh would talk with him more freely in ASHRAFALI's presence than in that of Shaikh's present secretary.

3. If you and Political Resident see no objection I should be glad if you would issue exit permit to ASHRAFALI on application from him and assist him if necessary over transport.

- RETAXANDUM -

RHL.





✓  
86/31 & 86/1.

(53)

Telegram S.

From Political Resident, Bushire.

To India Office, London.

Repeated Government of India, New Delhi.

No.411.

Dated 19th February 1944.

(28)

86/31  
S.10

Reference correspondence resting with your telegram No. 27330 November 28th, 1943.

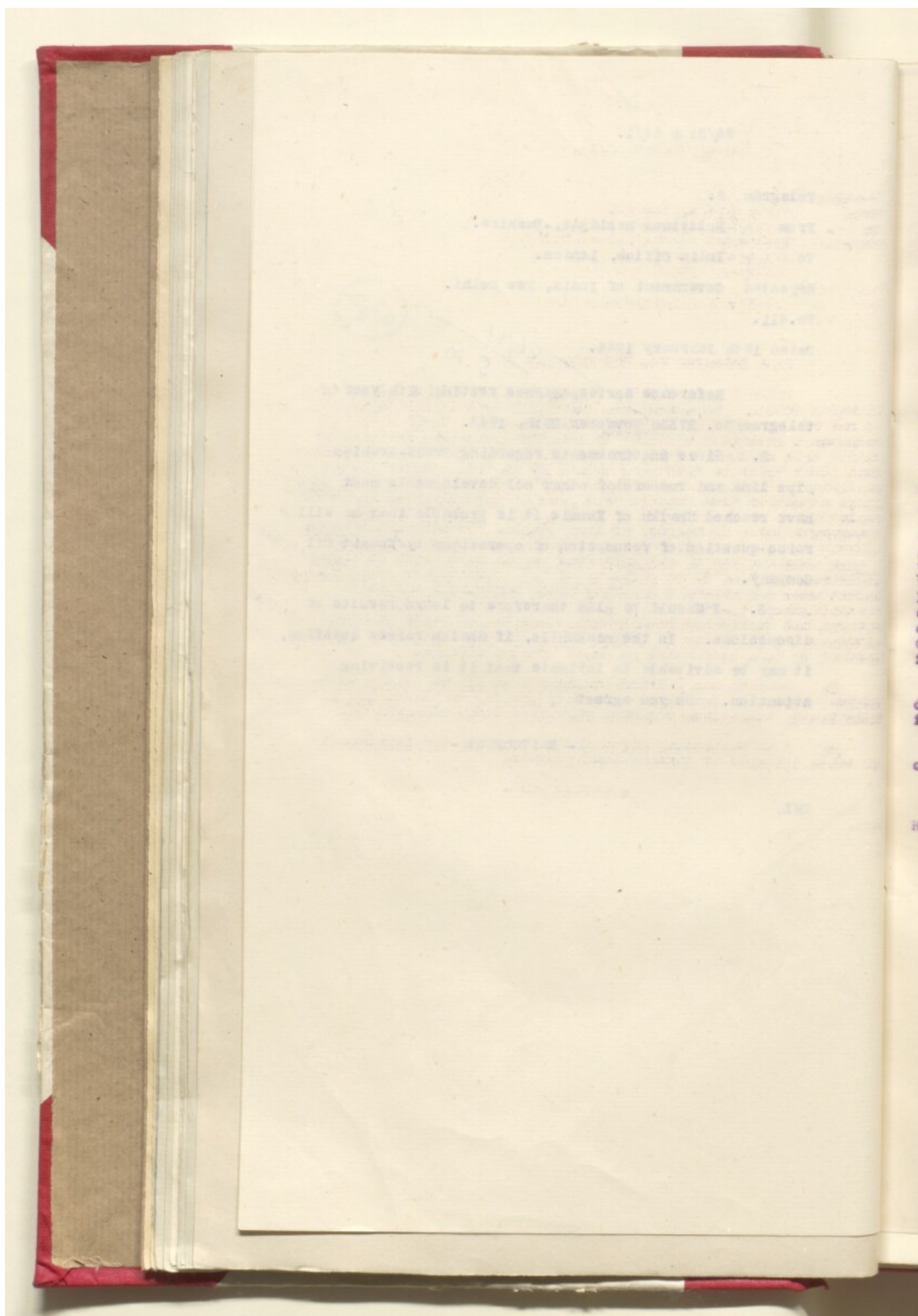
2. Since announcements regarding Trans-Arabian pipe line and rumours of other oil developments must have reached Shaikh of Kuwait it is probable that he will raise question of resumption of operations by Kuwait Oil Company.

3. I should be glad therefore to learn results of discussions. In the meanwhile, if Shaikh raises question, it may be advisable to intimate that it is receiving attention. Do you agree?

- BRITCONSUL -

RHL.







86/31, 86/5 & 86/1.

Telegram S.  
From India Office, London.  
To Political Resident, Bushire.  
Repeated Government of India, New Delhi.  
Political Agent, Bahrain.  
Political Agent, Kuwait.

No. 3707.  
Dated 14th received 16th February 1944.  
IMPORTANT.

29

Your telegram No. 352 February 10th.

Following is summary of information received from H.M. Minister Jeddah. U.S. Minister, Jeddah informed H.M. Minister at end of January that he had communicated to Saudi Arabian Government intention of CASCO to construct gigantic refinery at DHARAN with capacity of 50,000 barrels per diem. It was expected that plant would be operating within 24 months. H.M. Minister reported indications that Saudi Arabian Government wish to exact large royalties from Company or a greater participation in exploitation of fields more or less on same scale as Iraq Government enjoy in respect of Iraq fields. Subsequently Saudi Arabian Government informed H.M. Minister that CASCO proposed also construction of oil line from Dharan to a point on Mediterranean oil line to be property of U.S. Government. Apparently latter made announcement covering their intentions before communicating them to Saudi Arabian Government. This action created bad impression locally and, accentuated Saudi Arabian Government's intention to resist any political control or interference by U.S. Government in Saudi Arabian affairs.

2. OHLIGER was granted permission to fly to RIYADH to deliver letter to Ibn Saud. In this connection please see my immediately succeeding telegram repeating Jeddah telegram 41.

3. I am requesting Jeddah should keep you and Government of India informed of further developments.

- RETAKANDUM -

RHL.

View on the Qatar Digital Library: [http://www.qdl.qa/en/archive/81055/vdc\\_100023614898.0x000069](http://www.qdl.qa/en/archive/81055/vdc_100023614898.0x000069)





54

86/31, 86/5, 86/2 & 86/1.

Telegram S.  
From India Office, London.  
To Political Resident, Bushire.  
Repeated Government of India, New Delhi.  
Political Agent, Bahrain.  
Political Agent, Kuwait.

No. 3708.  
Dated 14th received 16th February 1944.  
IMPORTANT.

30

My immediately preceding telegram.

Following is repetition of Jedia telegram 41 BEGINS:

Saudi Arabian Government informs me that representatives of GASOC raised 3 points with Ibn Saud in RIYAH as follows:

(a) Permission to change name of Company to "Saudi Arabian - American Oil Company present name causes confusion with an existing subsidiary. Ibn Saud agreed.

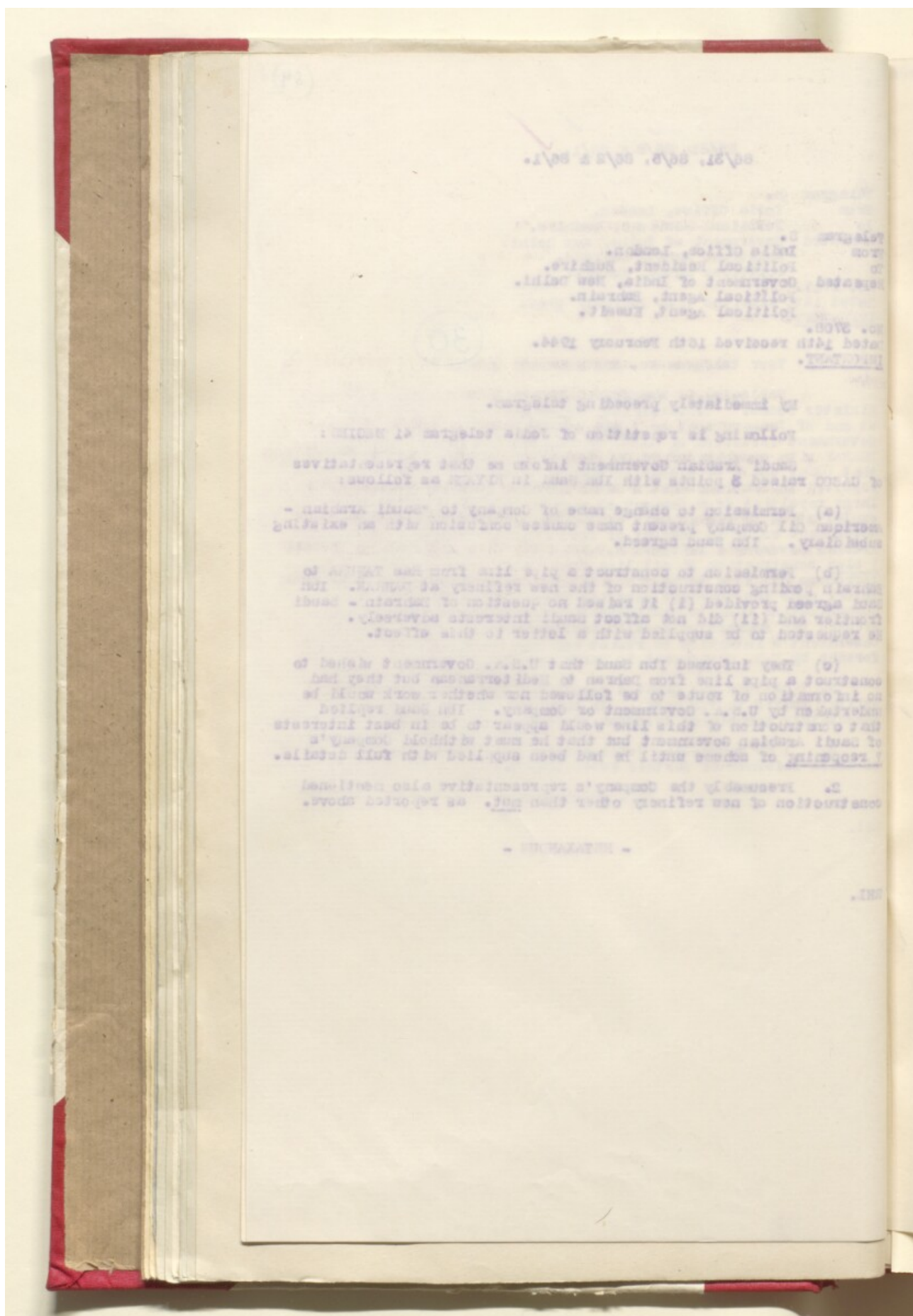
(b) Permission to construct a pipe line from Ras TANURA to Bahrain pending construction of the new refinery at DAHRAN. Ibn Saud agreed provided (i) it raised no question of Bahrain - Saudi frontier and (ii) did not affect Saudi interests adversely. He requested to be supplied with a letter to this effect.

(c) They informed Ibn Saud that U.S.A. Government wished to construct a pipe line from Dahrhan to Mediterranean but they had no information of route to be followed nor whether work would be undertaken by U.S.A. Government or Company. Ibn Saud replied that construction of this line would appear to be in best interests of Saudi Arabian Government but that he must withhold Company's reopening of scheme until he had been supplied with full details.

2. Presumably the Company's representative also mentioned construction of new refinery other than mut. as reported above.

- RETAKANDUM -

RHI.





86/31, 86/5, 86/1.

Telegram S.

From Political Agent, Kuwait.

To Political Resident, Bushire.

No.124.

Dated 16th received 17th February 1944.

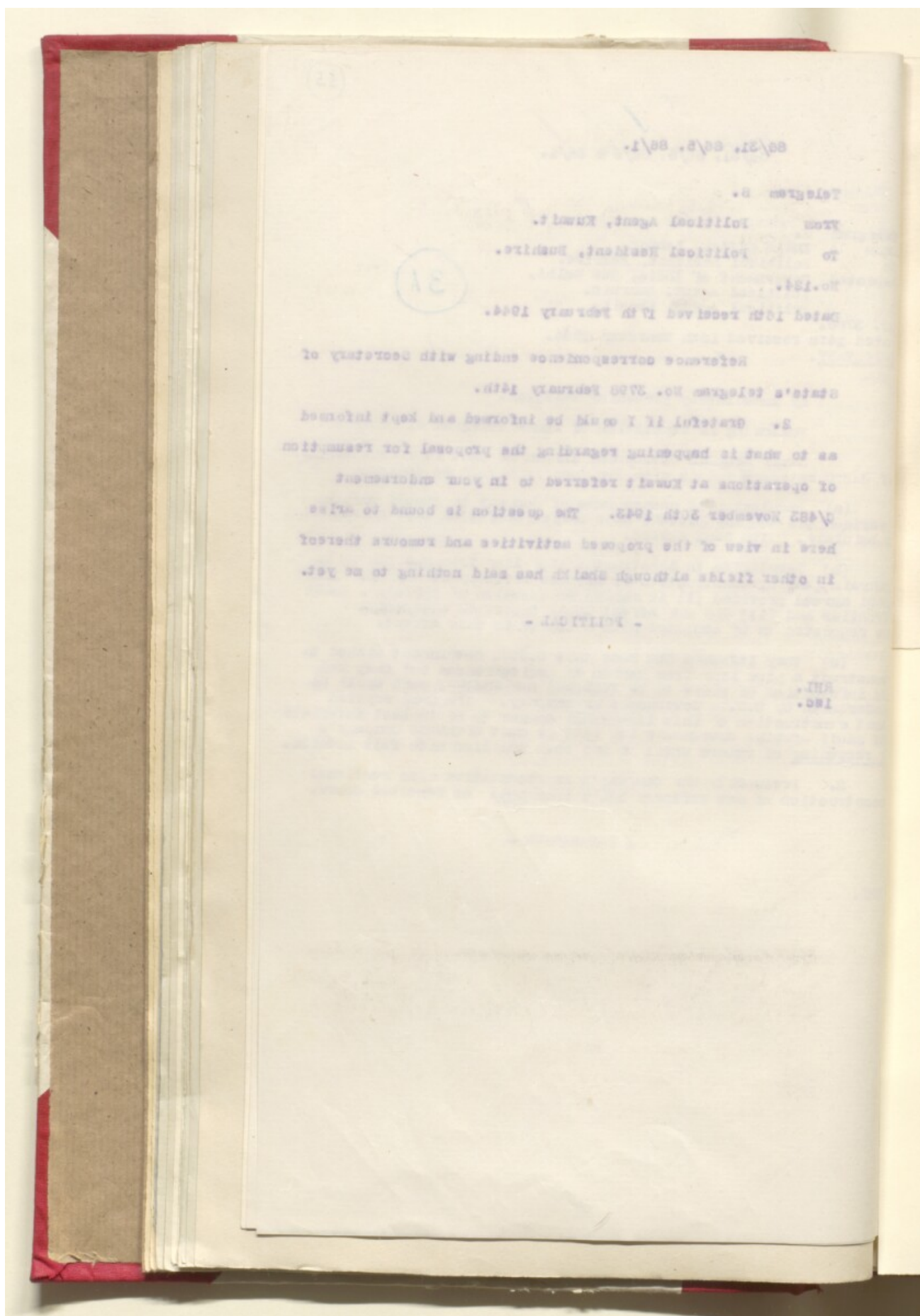
Reference correspondence ending with Secretary of State's telegram No. 3798 February 14th.

2. Grateful if I could be informed and kept informed as to what is happening regarding the proposal for resumption of operations at Kuwait referred to in your endorsement Q/483 November 30th 1943. The question is bound to arise here in view of the proposed activities and rumours thereof in other fields although Shaikh has said nothing to me yet.

- POLITICAL -

RHL.  
lsc.







86/1 & 86/31.

Telegram S.

From Government of India, New Delhi.

To Political Resident, Bushire.

No.1923.

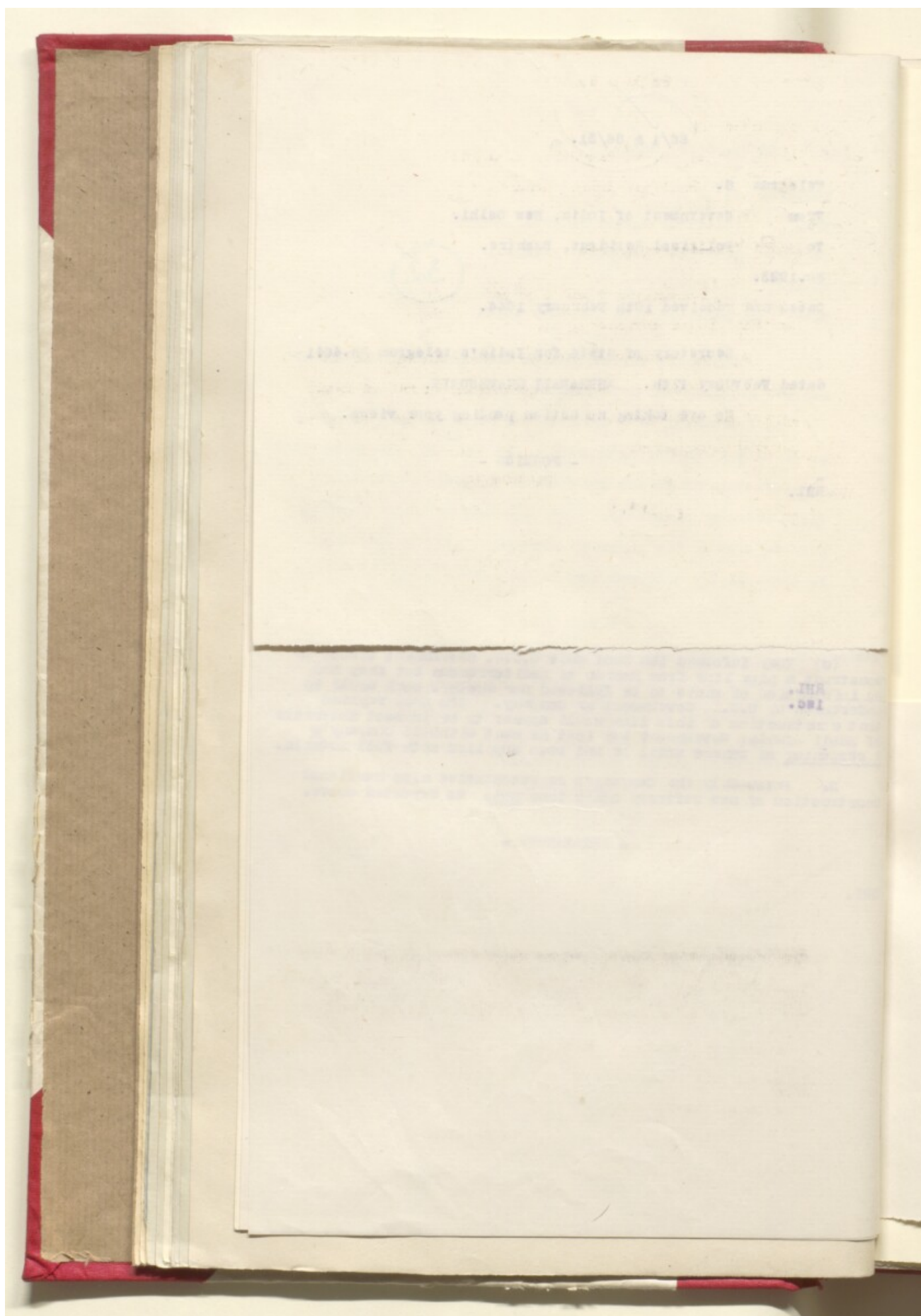
Dated and received 10th February 1944.

Secretary of State for India's telegram No.4041  
dated February 17th. ASHRAPALI CHAMBUDDIN.

We are taking no action pending your views.

- FOREIGN -

RHL.







86/31 & 86/1.

(57)

Telegram S.

From Political Resident, Bushire.

To Political Agent, Kuwait.

No. 425.

Dated 22nd February 1944.

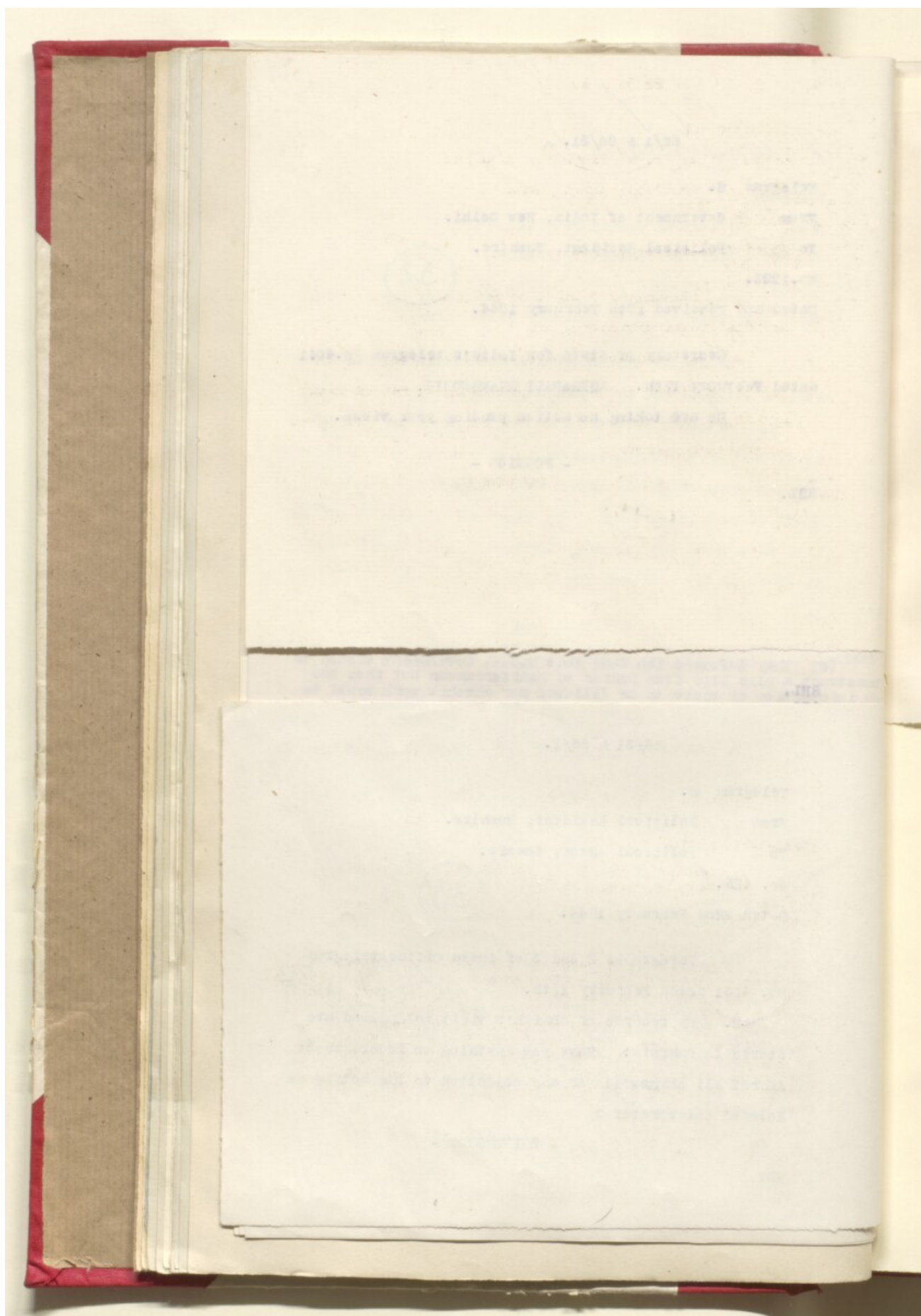
(33)

Paragraphs 2 and 3 of India Office telegram  
No. 4041 dated February 17th.

2. My records of Shaikh's visit to England are  
stored in Bahrain. Have you anything on record about  
Ashraf Ali Shamsuddin or any objection to his acting as  
Holmes' interpreter?

- BRITCONSUL -

RHL.





(58)

86/1, 86/2, 86/5, 86/31.

Telegram S(Iad).

From Government of India, New Delhi.  
To Political Resident, Bushire.  
No.2039.  
Dated 22nd received 23rd February 1944.

(34)

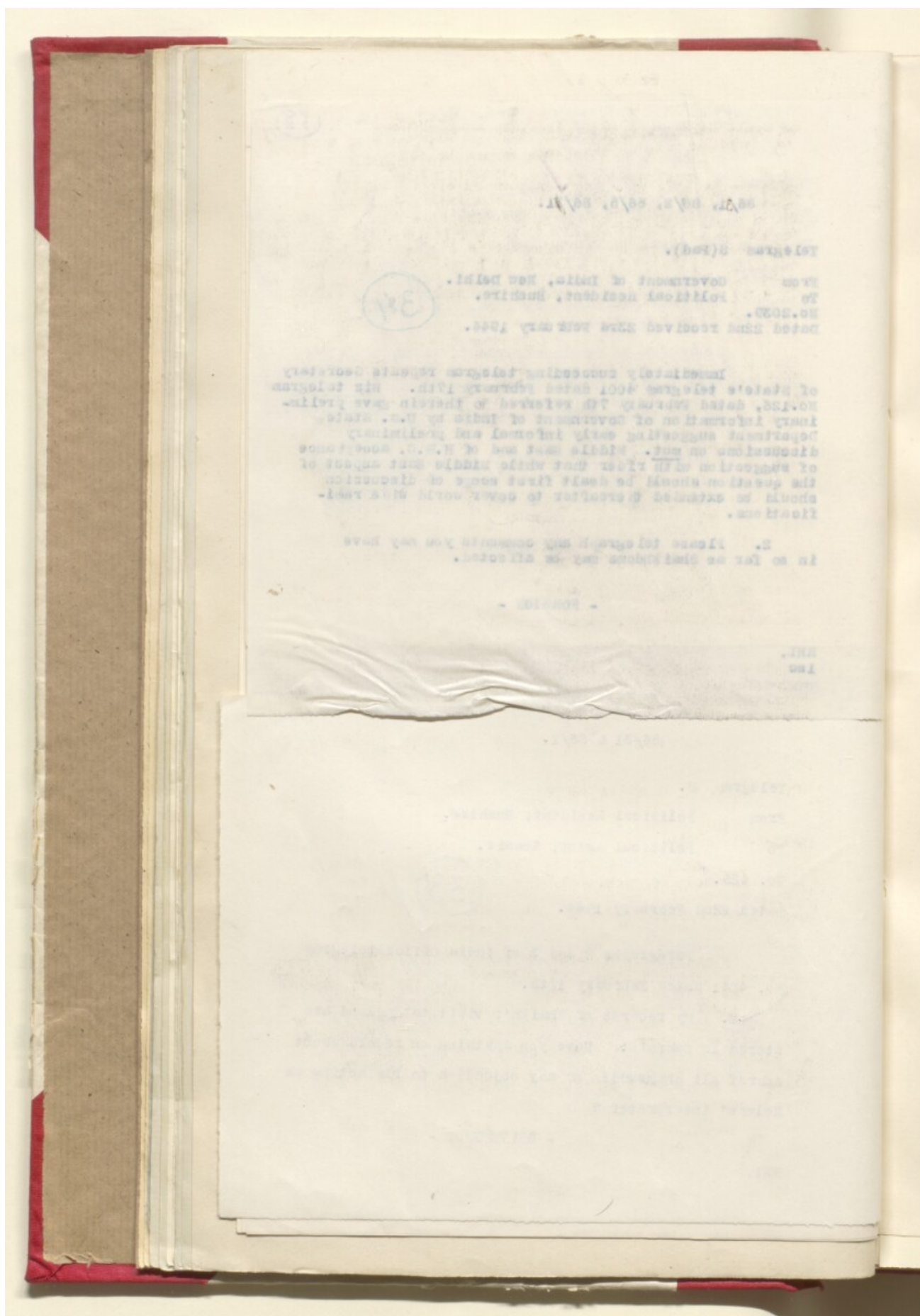
Immediately succeeding telegram repeats Secretary of State's telegram 4001 dated February 17th. His telegram No.126, dated February 7th referred to therein gave preliminary information of Government of India by U.S. State Department suggesting early informal and preliminary discussions on mut. Middle East and of H.M.G. acceptance of suggestion with rider that while Middle East aspect of the question should be dealt first scope of discussion should be extended thereafter to cover world wide ramifications.

2. Please telegraph any comments you may have in so far as Shaikhdoms may be affected.

- FOREIGN -

RHL.  
isc







(59)

86/31, 86/5, 86/1, 86/2

Telegram S (Pad).  
From Government of India, New Delhi.  
To Political Resident, Bushire.  
No.2040.  
dated and received 23rd February 1944.

(35)

Proposed oil conversations with United States.

Following is text less 1st paragraph of note of State Department dated February 10th BEGINS:

<sup>11-15</sup>  
~~Under this~~ noted that while British Government agreed that these conversations at outset should deal with problems of mutual interest regarding Middle East petroleum, they should at a later period be extended to cover <sup>their</sup> field of petroleum. This Government believes that it may be found desirable to extend scope of conversations beyond a discussion of problems of Middle East oil but that a determination of whether that should be done, and to what extent, can be made best in the light of progress ~~but~~ discussion of original Middle East oil.

In compliance with British Government's desire for some indication of aspects of question which this Government believes should be discussed, there follows a ? secret list of general topics which it is believed could be profitably covered in conversation.

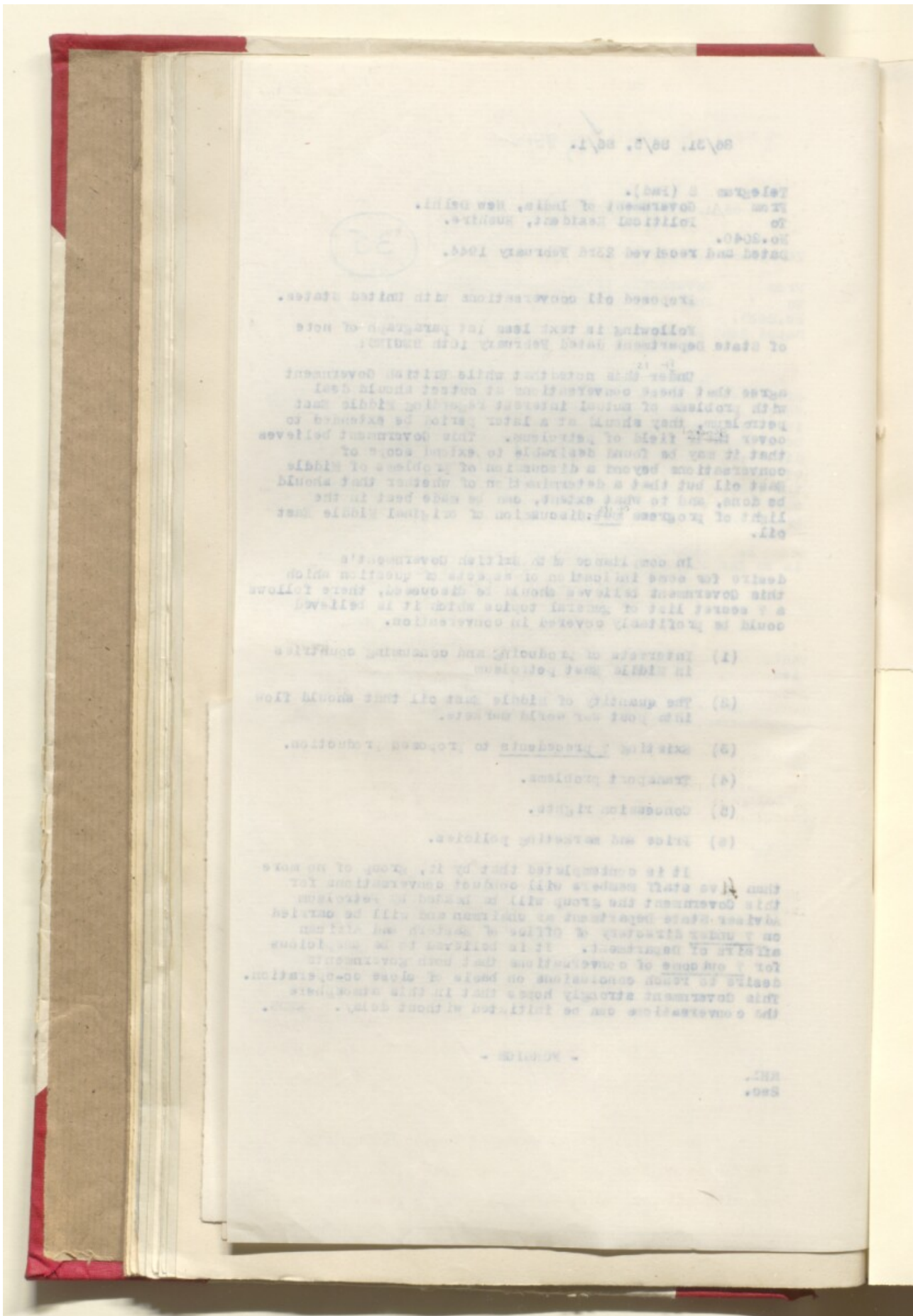
- (1) Interests of producing and consuming countries in Middle East petroleum
- (2) The quantity of Middle East oil that should flow into post war world markets.
- (3) Existing ? precedents to proposed production.
- (4) Transport problems.
- (5) Concession rights.
- (6) Price and marketing policies.

It is contemplated that by it, group of no more than ~~five~~ staff members will conduct conversations for this Government the group will be headed by Petroleum Adviser State Department as chairman and will be carried on ? under directory of Office of Eastern and African affairs of Department. It is believed to be auspicious for ? outcome of conversations that both governments desire to reach conclusions on basis of close co-operation. This Government strongly hopes that in this atmosphere the conversations can be initiated without delay. ENDS.

- FOREIGN -

RHL.  
2cc.









86/1, 86/31, 82/27. 86/1.

Telegram S(D).  
From India Office, London.  
To Political Resident, Bushire.  
Re: Government of India, New Delhi.  
No. 4662.  
Dated 25th received 26th February 1944.

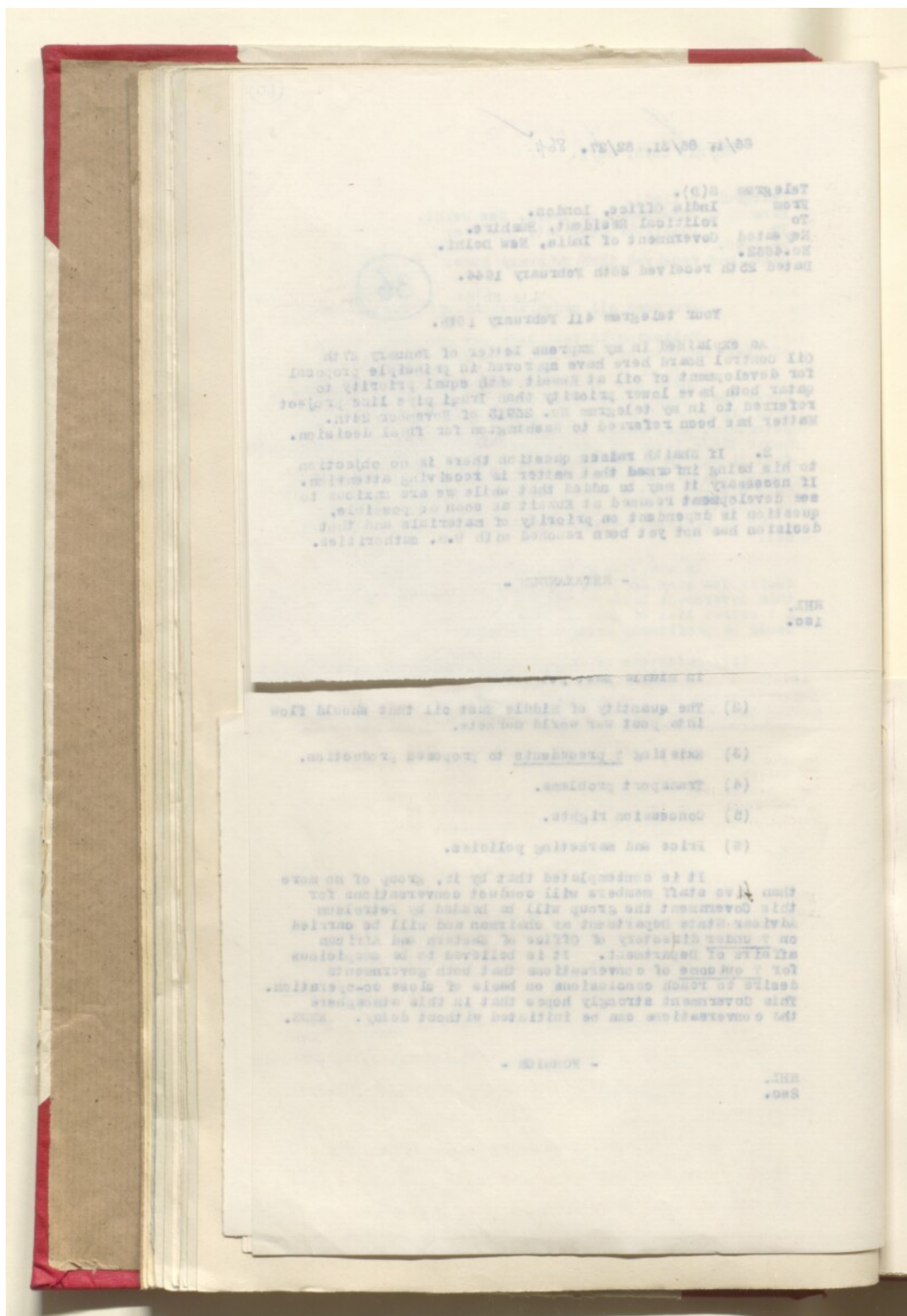
Your telegram 411 February 19th.

As explained in my Express Letter of January 27th Oil Control Board here have approved in principle proposal for development of oil at Kuwait with equal priority to Qatar both have lower priority than Iraqi pipe line project referred to in my telegram No. 26915 of November 24th. Matter has been referred to Washington for final decision.

2. If Shaikh raises question there is no objection to his being informed that matter is receiving attention. If necessary it may be added that while we are anxious to see development resumed at Kuwait as soon as possible, question is dependent on priority of materials and that decision has not yet been reached with U.S. authorities.

- RETAKANDUM -

RHL.  
isc.





86/31, 86/1 & 86/2

Telegram S  
From Political Agent, Kuwait.  
To Political Resident, Bushire.  
No.154

Dated and received 26th February 1944.

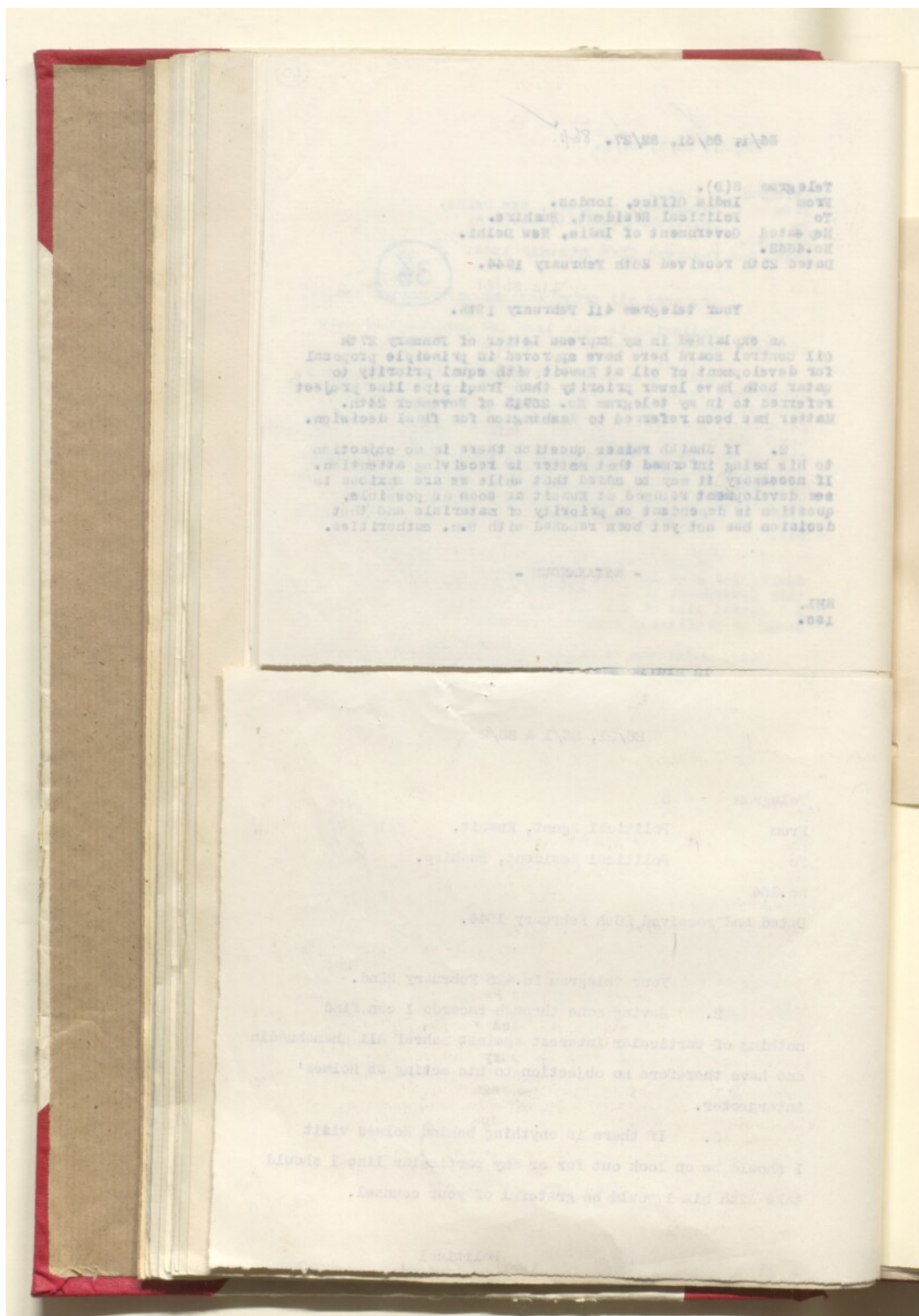
533  
Your telegram No.425 February 22nd.

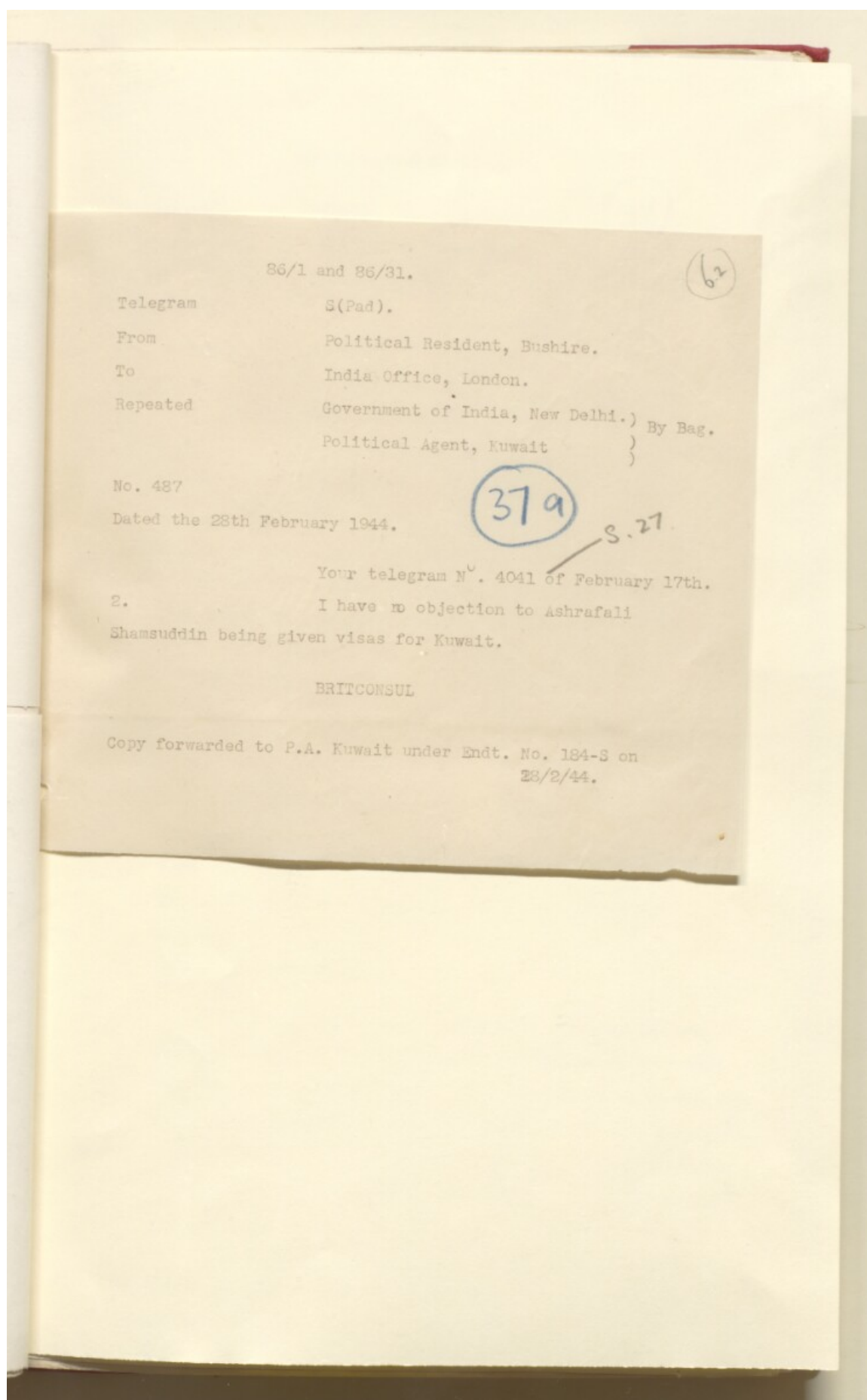
2. Having gone through records I can find nothing of particular interest against Ashraf Ali Shamshuddin and have therefore no objection to his acting as Holmes' interpreter.

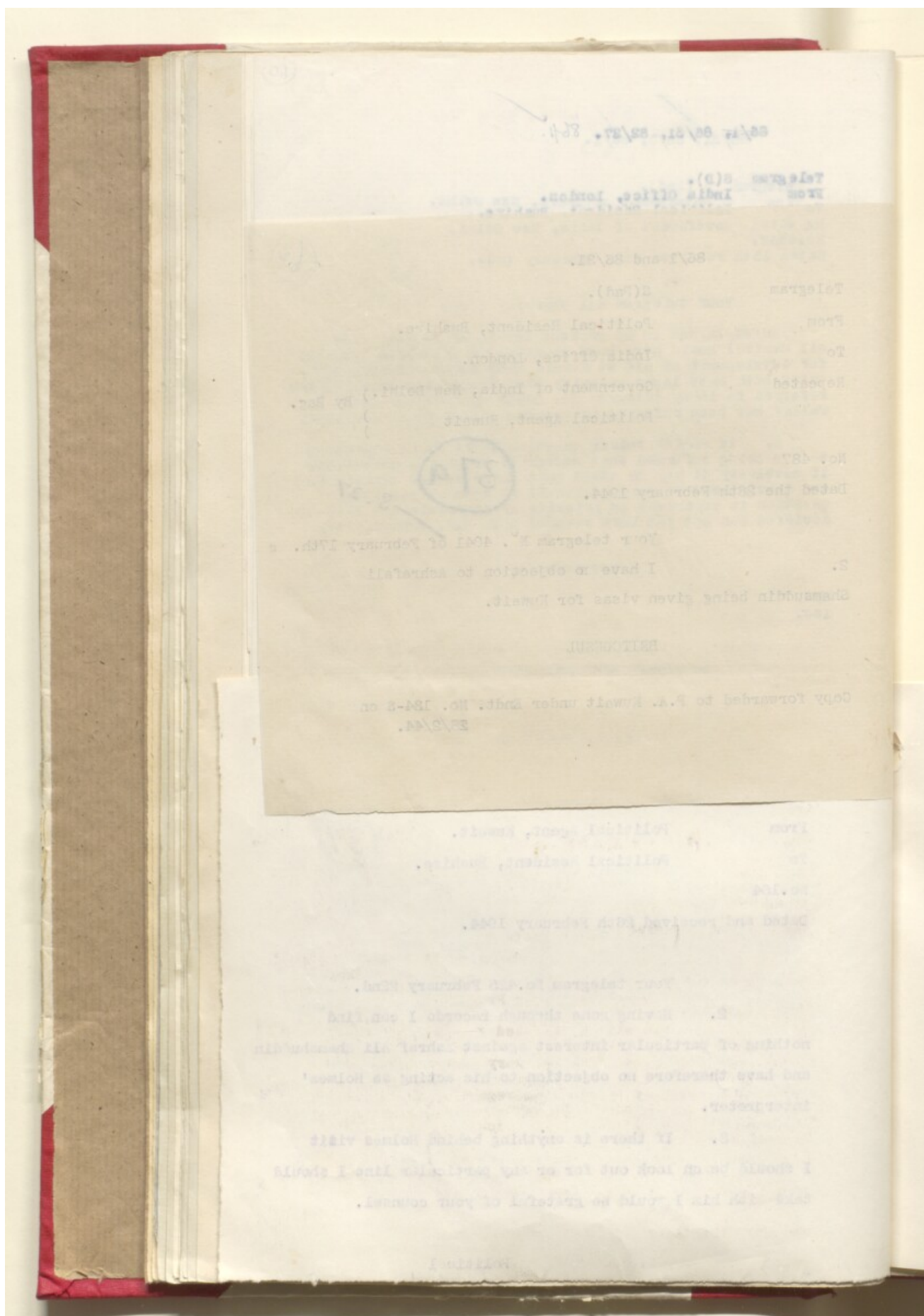
3. If there is anything behind Holmes visit I should be on look out for or any particular line I should take with him I would be grateful of your counsel.

Political













86/31 & 86/1.

Telegram S.

From Political Resident, Bushire.

To Political Agent, Bahrain.

No. 539.

Dated 4th March 1944.

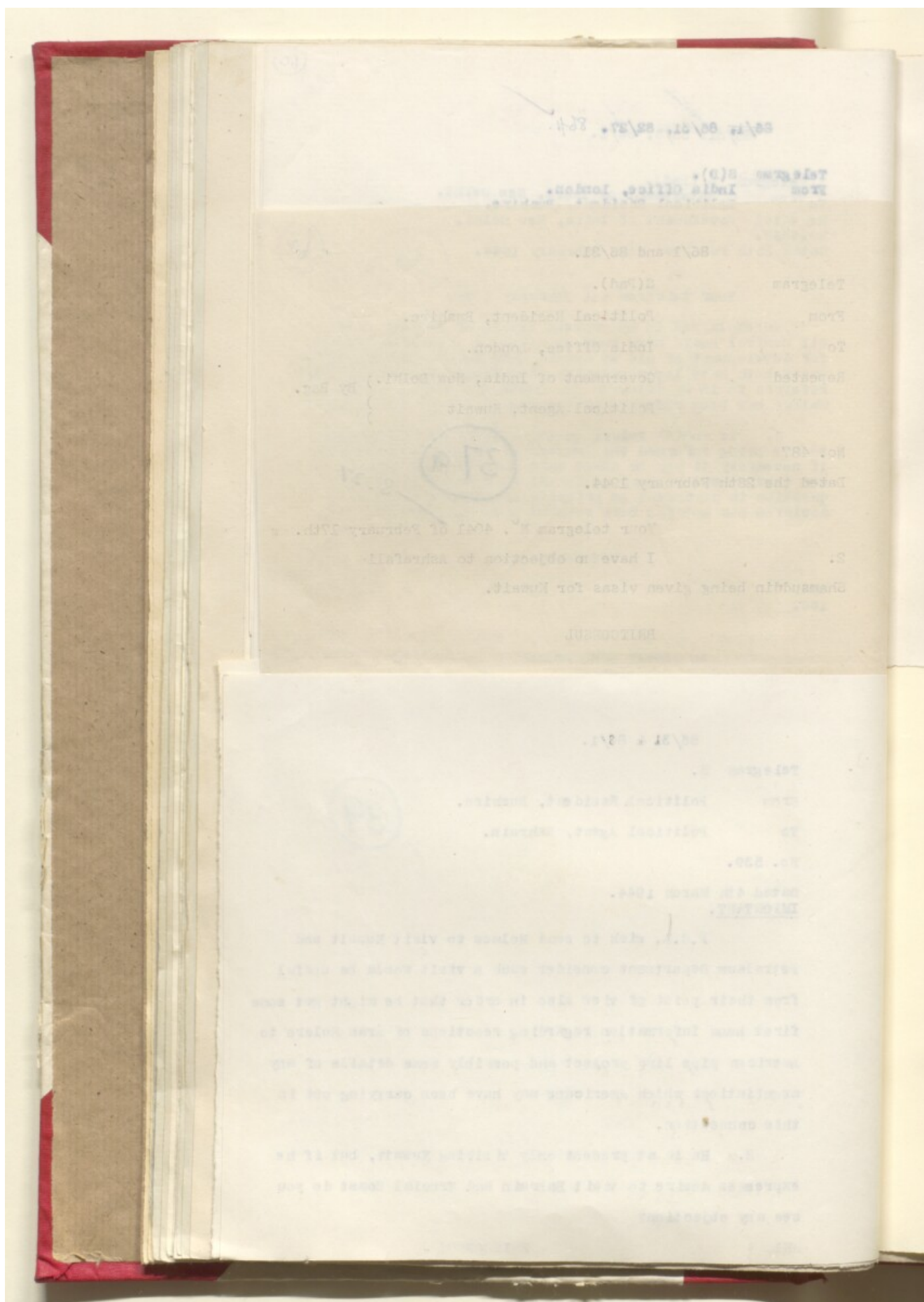
IMPORTANT.

P.C.L. wish to send Holmes to visit Kuwait and Petroleum Department consider such a visit would be useful from their point of view also in order that he might get some first hand information regarding reactions of Arab Rulers to American pipe line project and possibly some details of any negotiations which Americans may have been carrying out in this connection.

2. He is at present only visiting Kuwait, but if he expresses desire to visit Bahrain and Trucial Coast do you see any objection?

RHL.

- BRITCONSUL -





✓  
86/31, 86/1 & 86/13

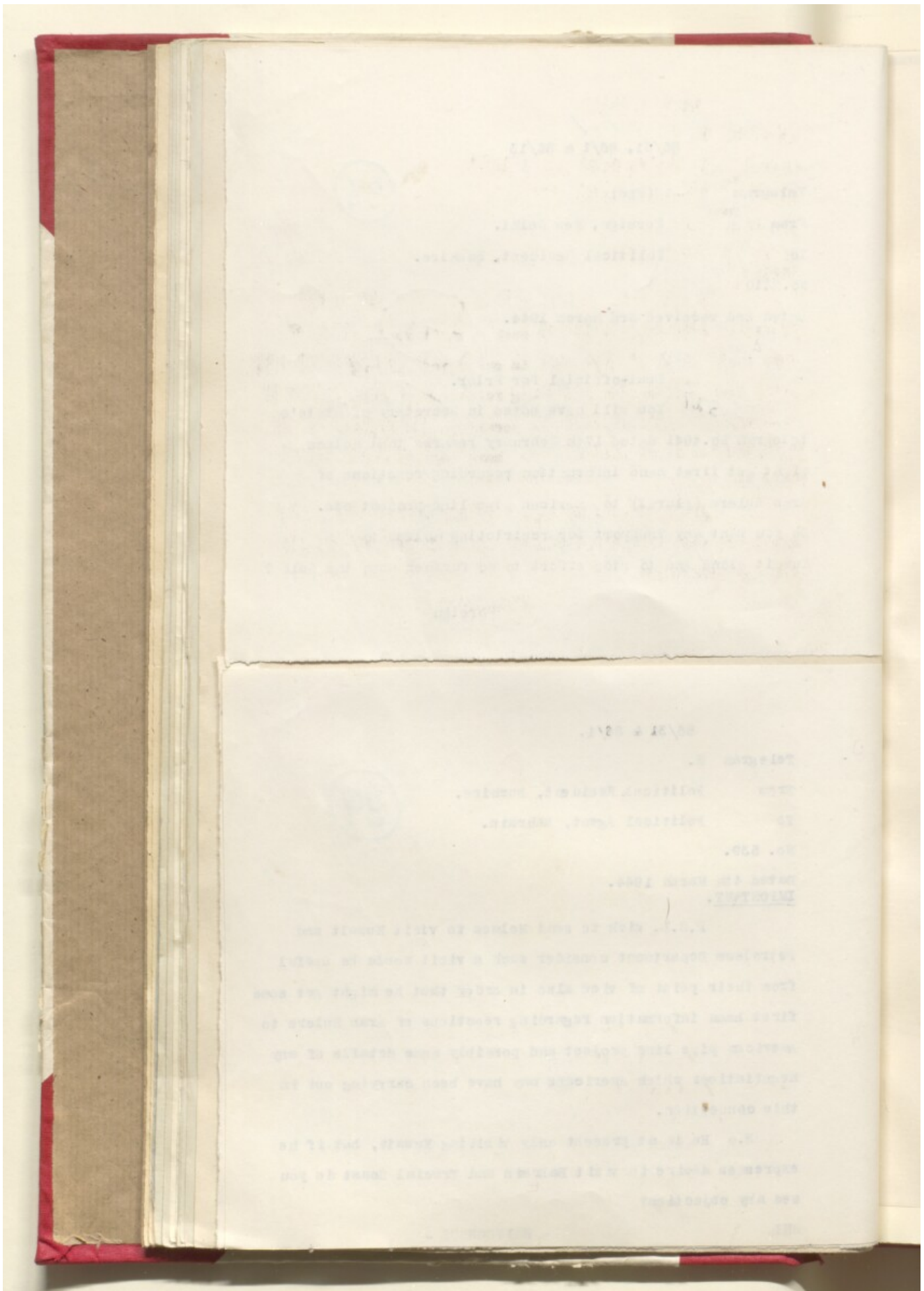
Telegram S(Pad) (38)  
From Foreign, New Delhi.  
To Political Resident, Bushire.  
No. 2410  
Dated 2nd received 3rd March 1944.

Demi-official for Prior.

527 You will have noted in Secretary of State's telegram No. 4041 dated 17th February remarks that Holmes might get first hand information regarding reactions of Arab Rulers (plural) to American pipe line project etc. Do you want any support for restricting Holmes to Kuwait alone and to stop effort to go further down the Gulf ?

Foreign







86/31, 86/1 & 82/27.

EXPRESS LETTER.

From: Secretary of State,  
To: Political Resident in the Persian Gulf (Bushire).  
Repeated Government of India, External Affairs Department.  
Dated 27th January 1944.  
No. EXT.320/44.

Addressed Bushire repeated New Delhi.

by telegram 27330 November 28th. Oil Control Board here have now approved in principle proposal for development of oil at Kuwait with equal priority to Qatar. Matter has been referred to Washington for final decision which may take up to 4 months.

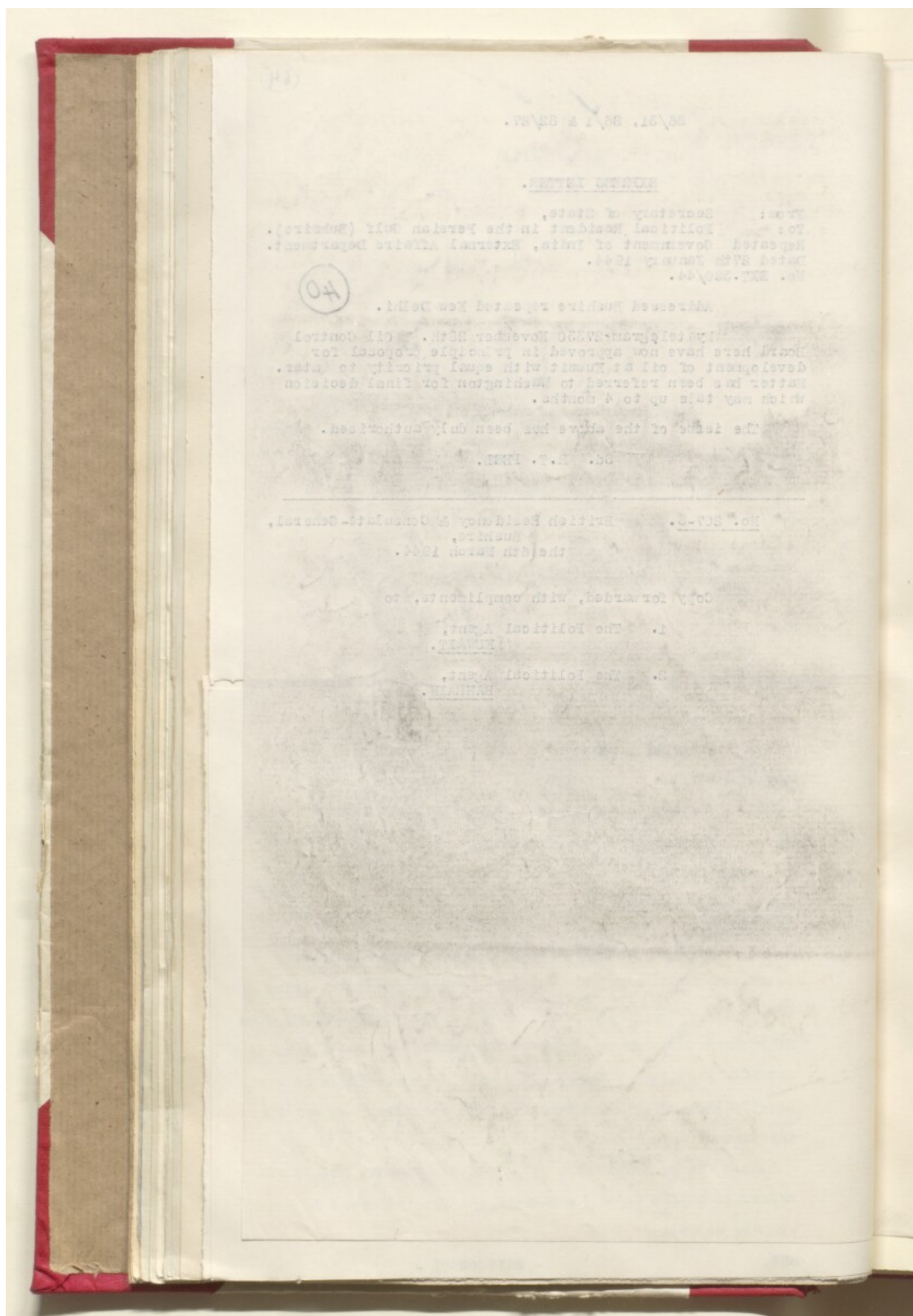
The issue of the above has been duly authorised.

Sd. R.T. FESI.

No. 207-S. British Residency & Consulate-General,  
Bushire,  
the 6th March 1944.

Copy forwarded, with compliments, to

1. The Political Agent,  
KUWAIT.
2. The Political Agent,  
BAHRAIN.







✓  
86/31, 86/13 & 86/1.

(Received under India Office Printed Letter No.EXT.310/44 dated the 29th January 1944).

-----

41  
Copy of Letter No. EXT.310/44 dated 28th January 1944 from Mr. R.T.Peel, the India Office, London to The Hon. M.R.Bridgeman Ministry of Fuel and Power, Petroleum Division, London.)

---

Thank you for your letter No.PD.745 pt. 3 of 20th January about Major Holmes visiting Kuwait.

Unless there have been any recent developments of which we are unaware, it seems improbable that the Shaikh has changed his mind and is now ready to discuss the Neutral Zone concession.

As regards our attitude to a visit by Holmes, I think the situation remains as it was last September. We have no objection to his visiting Kuwait and have ascertained that the Political Resident is agreeable, but we still feel it would be difficult to justify support for an application for an air passage on his behalf. If the Company could show that he was engaged on work connected with the war effort, it would be different.

I am sending a copy of this letter and yours of the 20th January to Ryres at the Foreign Office.

-----

Copy of Letter No. PD.745 pt. 3 dated 20th January 1944 from Mr. M.R. Bridgeman, Ministry of Fuel and Power (Petroleum Division) to Mr. R.T.Peel, India Office, London.

----

After receiving your letter of 30th September, No. Ext. 5469/43, I notified the Company that the Political Resident had no objection to Major Holmes visiting Kuwait. Consequently upon this Holmes got into communication with the Shaikh and has now received a telegram from the latter, which reads as follows:

"Many thanks for your congratulations. When may I expect you."

The Company themselves are somewhat doubtful whether the Shaikh's telegram can be read as implying that he is willing to discuss the Neutral Zone concession or whether the telegram should only be interpreted as a general expression of goodwill. In any case they would like to know in the first place whether the India Office would be likely to favour or to object to the visit, and if the former whether there would be any chance of an air passage. Holmes is now an elderly man and I understand that it is doubtful whether he would be willing to travel by a less direct route.

Perhaps you would kindly let me know your views so that I can inform the Company accordingly.

No.208-S.

-----  
British Residency & Consulate-General,  
Bushire, the 6th March 1944.

Copy forwarded, with compliments, to

The Political Agent, KUWAIT,

in continuation of Residency Endorsement No.184-S, dated 28th February 1944.



86/31, 86/13 & 86/1.  
 (Received under India Office Printed Letter No. EXT.310/44 dated the 28th January 1944.)

41

Copy of Letter No. EXT.310/44 dated 28th January 1944 from Mr. R.T. Fisel, the India Office, London to the Hon. Mr. Bridgman, Ministry of Fuel and Power, Petroleum Division, London.

Thank you for your letter No. D.745 pt. 2 of 20th January about Major Holmes visiting Kuwait.

Unless there have been any recent developments of which we are unaware, it seems improbable that the British has changed his mind and is now ready to discuss the Neutral Zone concession.

As regards our attitude to a visit by Holmes, I think the situation remains as it was last September. We have no objection to his visiting Kuwait and have mentioned that the Political Resident is agreeable, but we still feel it would be difficult to justify support for an application for an air passage on his behalf. If the company could show that he was engaged in work connected with the war effort, it would be different.

I am sending a copy of this letter and yours of the 20th January to Special Agent at the Foreign Office.

Copy of Letter No. D.745 pt. 2 dated 20th January 1944 from Mr. R.T. Fisel, Ministry of Fuel and Power (Petroleum Division) to Mr. R.T. Fisel, India Office, London.

After receiving your letter of 20th September, No. EXT. 3689/43, I notified the company that the Political Resident had no objection to Major Holmes visiting Kuwait. Consequently upon this Holmes got into communication with the Ministry and has now received a telegram from the latter, which reads as follows:

"Many thanks for your congratulatory note. When may I expect you?"

The company themselves are somewhat doubtful whether the Shaikh's telegram can be read as implying that he is willing to discuss the Neutral Zone concession or whether the telegram should only be interpreted as a general expression of goodwill. In any case they would like to know in the first place whether the India Office would be likely to favour or to object to the visit, and if the former whether there would be any chance of an air passage. Holmes is now an elderly man and I understand that it is doubtful whether he would be willing to travel by a less direct route.

Perhaps you would kindly let me have your views so that I can inform the company accordingly.

British Embassy & Consulate-General,  
 Baghdad, the 6th March 1944.

Copy forwarded, with compliments, to  
 The Political Agent, KUWAIT.

In continuation of Embassy Bagdad No. 154-2, dated 28th February 1944.





66

86/31 & 86/1.

SAVINGHAM.

From H.M. Ambassador, Baghdad.

February 16th, 1944.

Addressed to Foreign Office No. 125.

Repeated to Resident, Minister, Cairo No. 79 (pass to  
Jedda No. 10. Ambassador)  
Beirut No. 21.  
P.R.F.G. Bushire No. 2/Saving.  
Bahrain No. 1/Saving.

42

Mr. Thompson's telegram No. 840 of 1943.

Prime Minister told me this morning that the Regent is again anxious to visit the United States of America and His Excellency therefore proposed to approach the American Minister. I advised Muri Pasha to step carefully, reminding him that only last September the United States Government had indicated that it would not be convenient to receive His Royal Highness. While their attitude today might be different, he ought not to risk a possible rebuff.

His Excellency frankly told me that both the Regent and he think that such a visit in the fairly near future would be useful in perhaps counteracting to some extent the growing and largely unanswered Zionist propaganda in America.

3. The oil question is another though lesser pre-occupation. The Prime Minister said today that the United States Minister, had, at his request, agreed to find out exactly what American intentions are over the development of the Kuwait and other southern fields. There has been publicity here recently about a pipe-line from the Persian Gulf to the Mediterranean and from what Muri Pasha said I gather he fears that as American companies only have a 23 1/2% interest in the Iraq Petroleum Company they may not be greatly concerned in cooperating in the exploitation of Iraq's resources. He does not apparently regard the proposed increase in the capacity of the Kirkuk-Haifa pipe-line as anything more than a beginning, and evidently desires an assurance that the United States' plans lately announced will not react adversely upon this country.

4. I would appreciate any information you may think it useful for me to have with particular reference to proposed developments in regard to oil resources in Iraq, Iran and the Persian Gulf.

5. Please pass to Washington if desired.

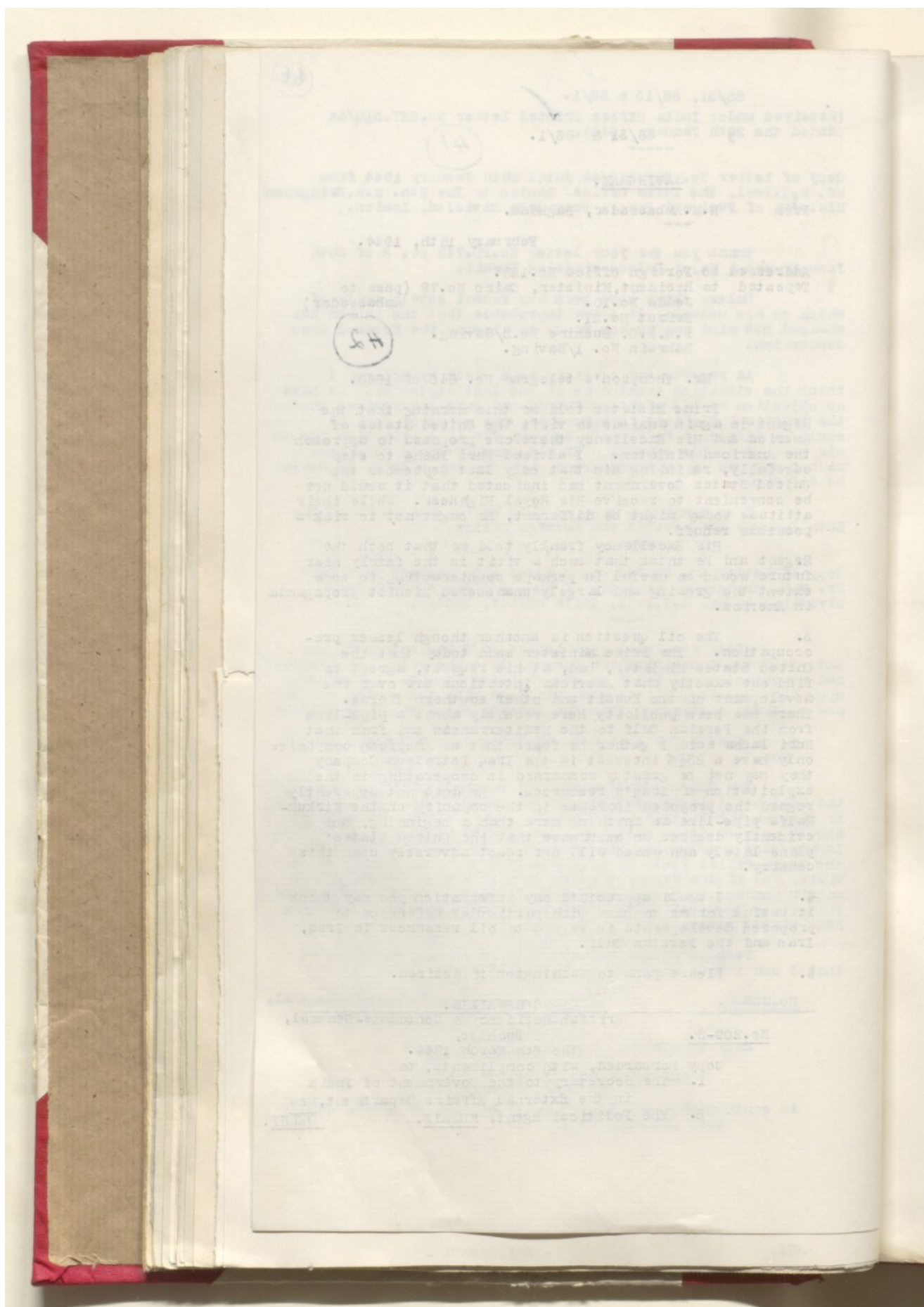
SCRWALLIS.

British Residency & Consulate-General,  
Bushire,  
the 6th March 1944.

Copy forwarded, with compliments, to

1. The Secretary to the Government of India  
in the External Affairs Department, New
2. The Political Agent, KUWAIT. DELHI.







86/31, 86/1.

(43)

Telegram S.  
From Political Agent, Bahrain.  
To Political Resident, Bushire.  
No. 235.  
Dated 8th and received 10th March, 1944.

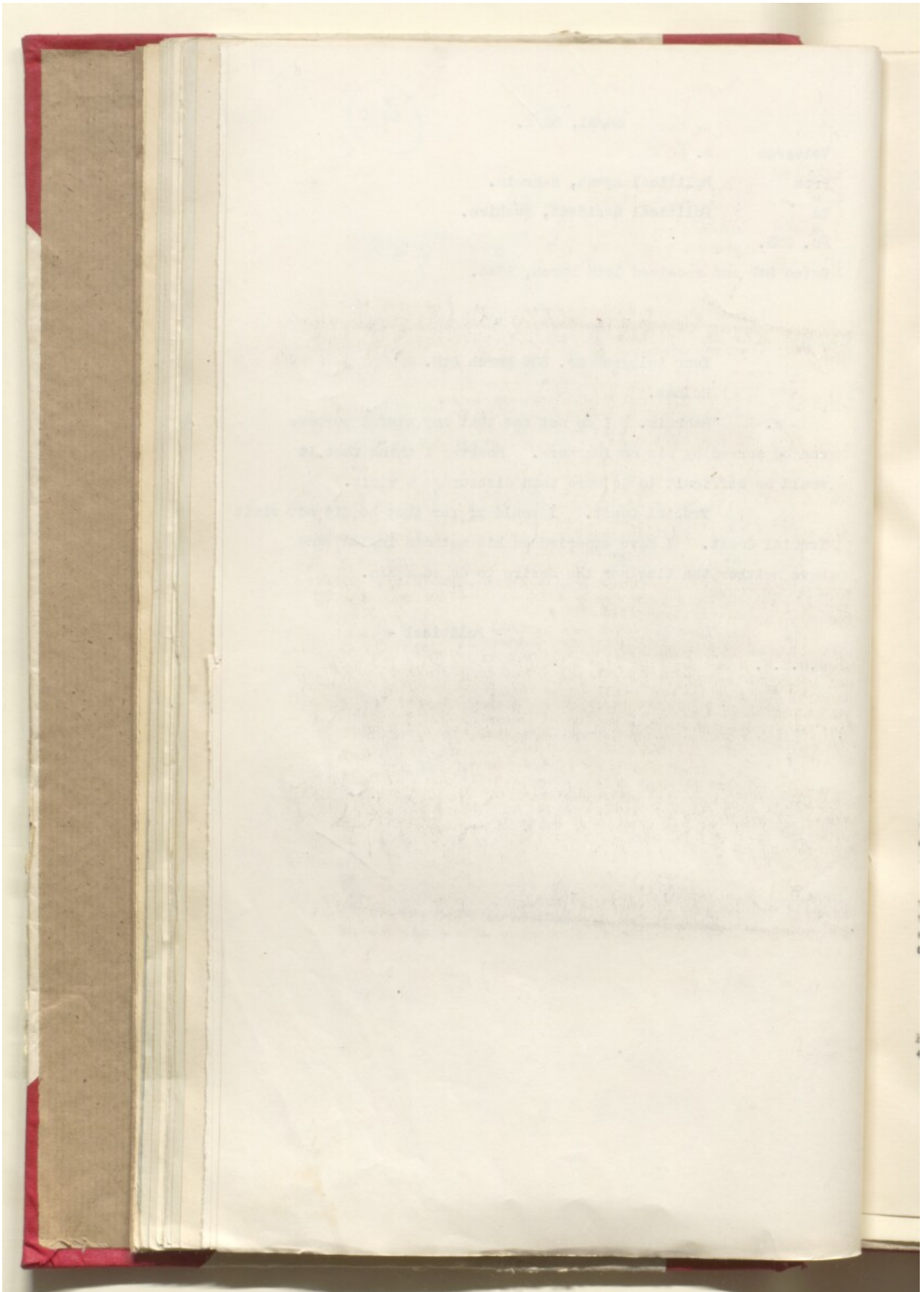
539  
Your telegram No. 539 March 5th.  
Holmes.

2. Bahrain. I do not see that any useful purpose  
can be served by his coming here. However I think that it  
would be difficult to do more than discourage a visit.

Trucial Coast. I would prefer that he did not visit  
Trucial Coast. I have experienced his methods in 1937 and  
have neither the time nor the desire to do so again.

- Political -

J.R.B.M.







86/31 & 86/1, 86/2, 86/5-  
Telegram S(Ind).  
From India Office, London.  
To Government of India, New Delhi.  
Repeated Political Resident, Bushire.  
No.5822.  
Dated 9th received 10th March 1944.  
IMPORTANT.

Secret. H.M.Ambassador at Washington reports that proposed Arabian pipe line of Petroleum Reserves Corporation has been severely attacked by U.S.A. press ? principal ? grounds being:-

- (i) That it is scheme which unduly favours two large oil companies at American taxpayers' expense.
- (ii) That it will involve U.S.A. Government in dangerous international complications.
- (iii) That it will completely disregard orderly marketing and distribution not only in Europe ? but in western hemisphere.
- (iv) That it involves direct participation by U.S.A. in oil industry against wishes of industry and American public.
- (v) That whole project is completely uneconomic and has been unnecessarily played up by ICKES as part of campaign to create scare about strenuous shortages so provide an excuse for Government intervention.

2. Petroleum Industry War Council have also voted unanimously with exception of two interested companies in condemnation not only of pipe line but of purposes and policies of Petroleum Reserves Corporation which they have indicated they would like to see abolished. Opposition comes not only from petroleum industry but from isolationists who fear resulting foreign entanglements of liberals who consider it is playing into hands of certain powerful oil companies.

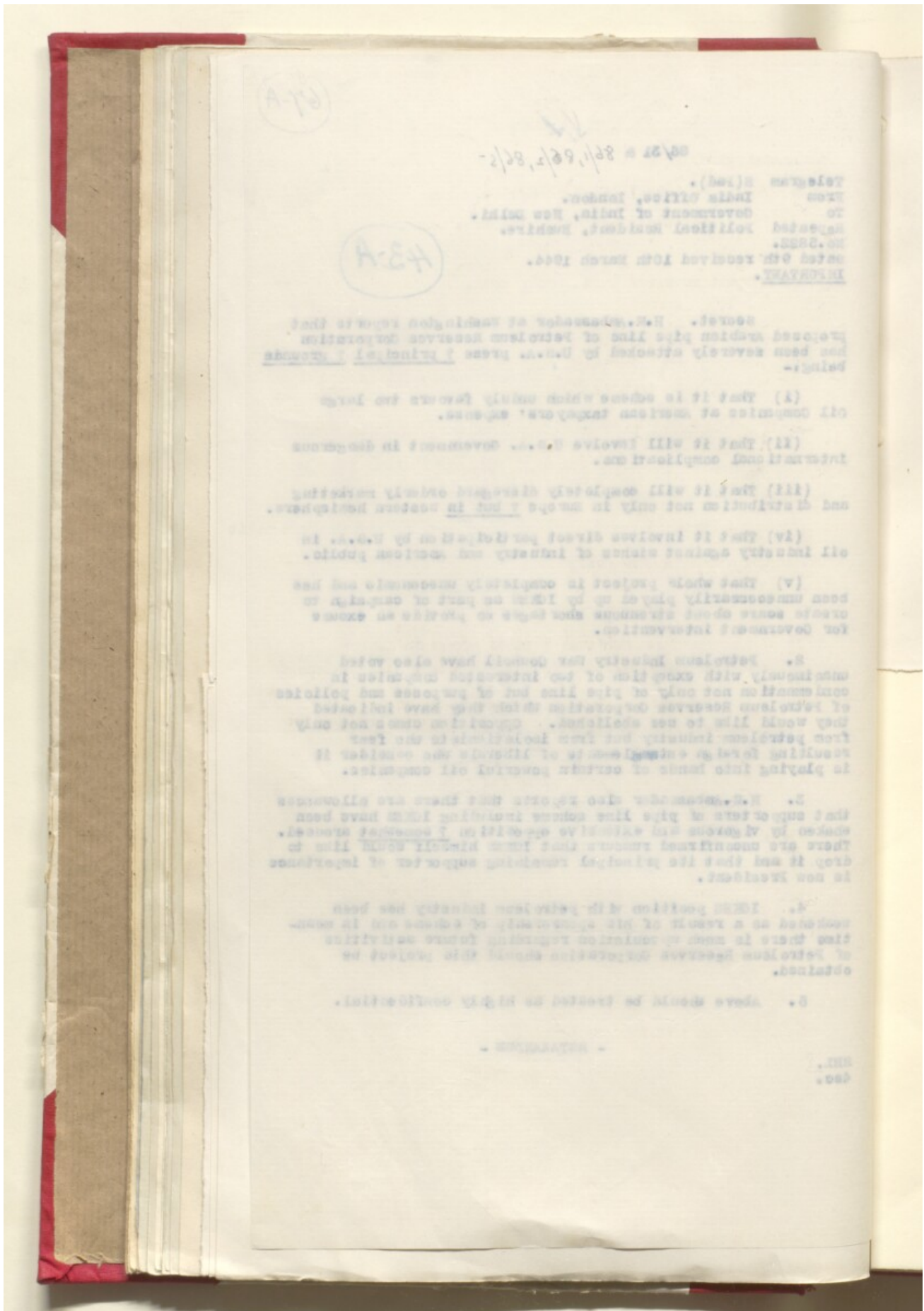
3. H.M.Ambassador also reports that there are allowances that supporters of pipe line scheme including ICKES have been shaken by vigorous and extensive opposition ? somewhat aroused. There are unconfirmed rumours that ICKES himself would like to drop it and that its principal remaining supporter of importance is now President.

4. ICKES position with petroleum industry has been weakened as a result of his sponsorship of scheme and in meantime there is much speculation regarding future activities of Petroleum Reserves Corporation should this project be obtained.

5. Above should be treated as highly confidential.

- RETAKANDUM -

RHL.  
4cc.





86/31 & 86/1.

44

68

Telegram S(Pad).

From Political Resident, Bushire.

To Government of India, New Delhi.

No. 604.

Dated 10th March 1944.

Demi-official.

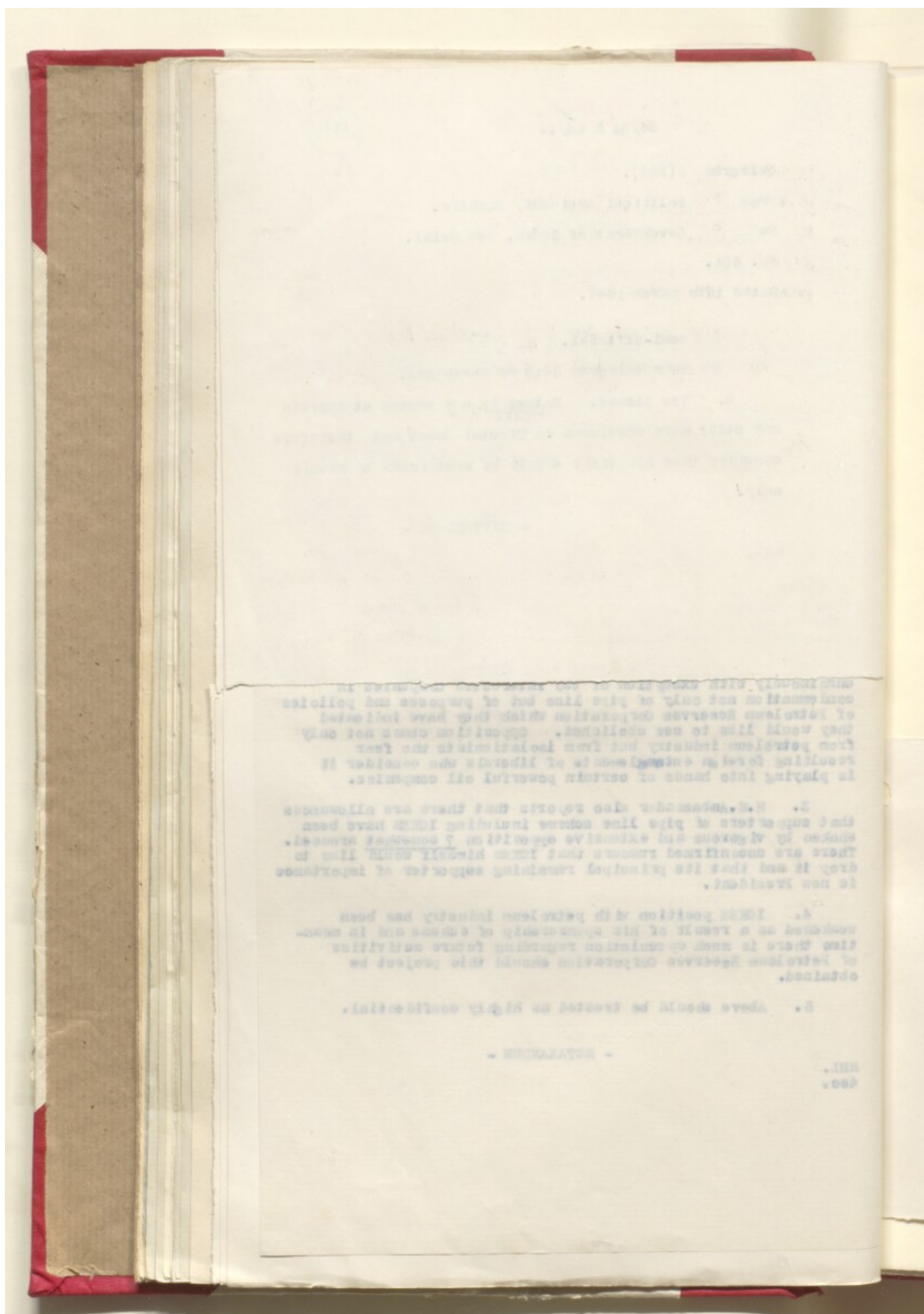
Your telegram 2410 of March 3rd.

2. Yes please. Holmes is not wanted at Bahrain and still more unwelcome on Trucial Coast and therefore consider that his visit should be restricted to Kuwait only.

- BRITCONSUL -

RHL.







86/31, 86/1 & 86/13.

(45)

(69)

Telegram S.

From Political Agent, Kuwait.

To Political Resident, Bushire.

No. 199.

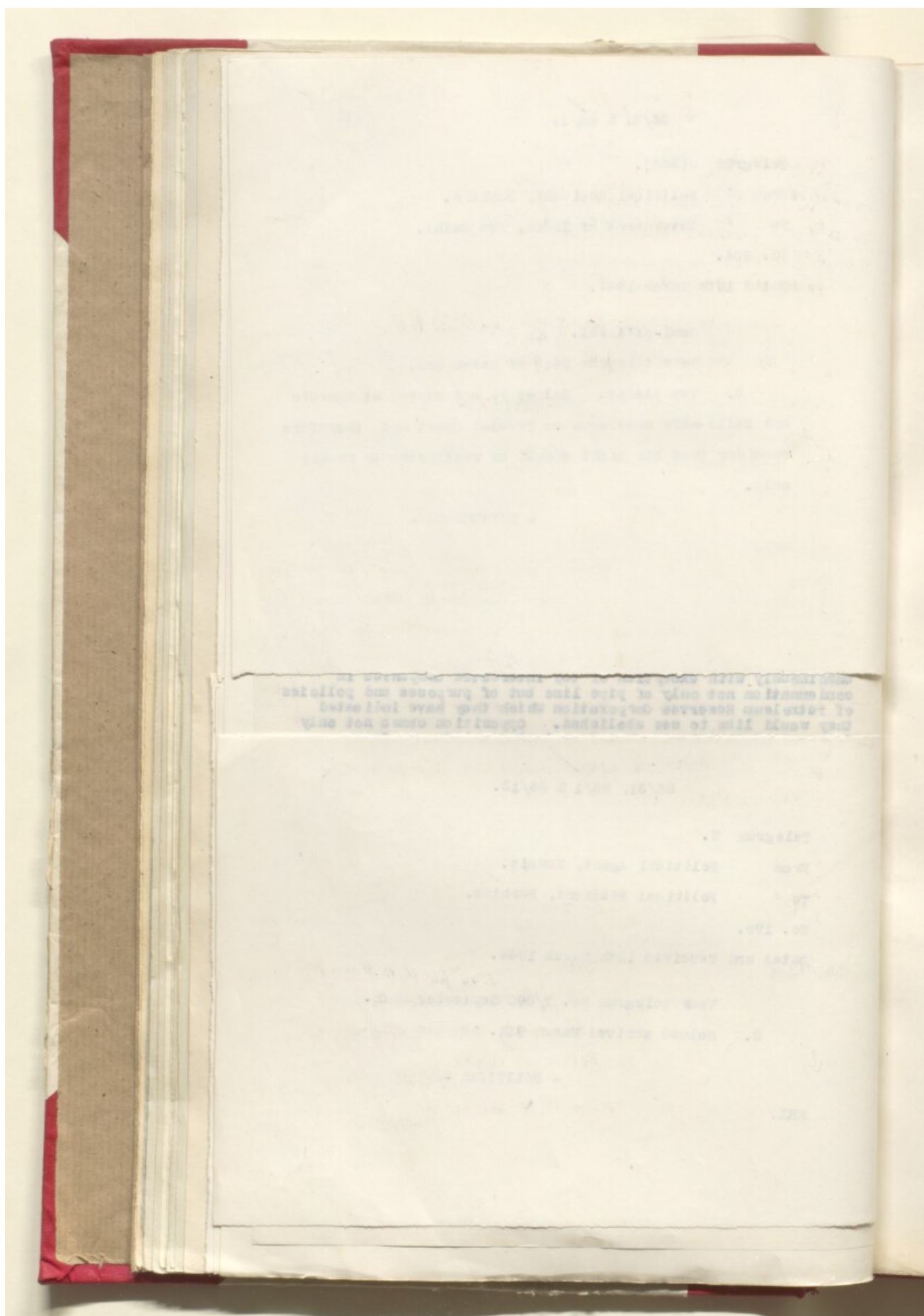
Dated and received 12th March 1944.

*S. 44 file 86/13.*  
Your telegram No. T/890 September 27th.

2. Holmes arrived March 9th.

- POLITICAL -

RHL.







86/31, 86/1, and 86/13

Telegram S(Pad)  
From Political Resident, Bushire.  
To India Office, London.  
Repeated. Government of India, New Delhi.  
No. 648  
Dated 13/3/44.

Political Agent reports that Holmes arrived  
in Kuwait on March 12th.

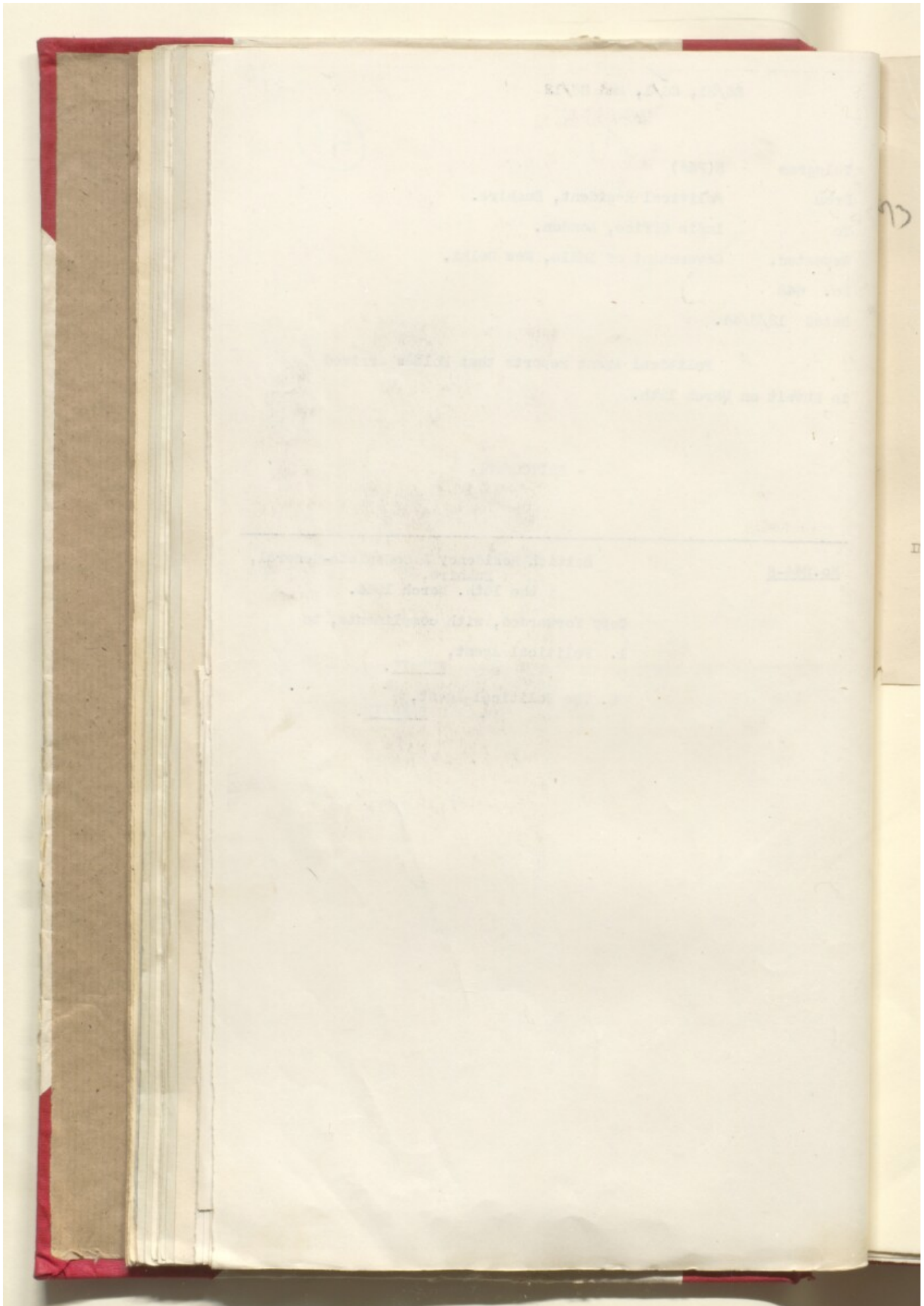
- BRITCONSUL -

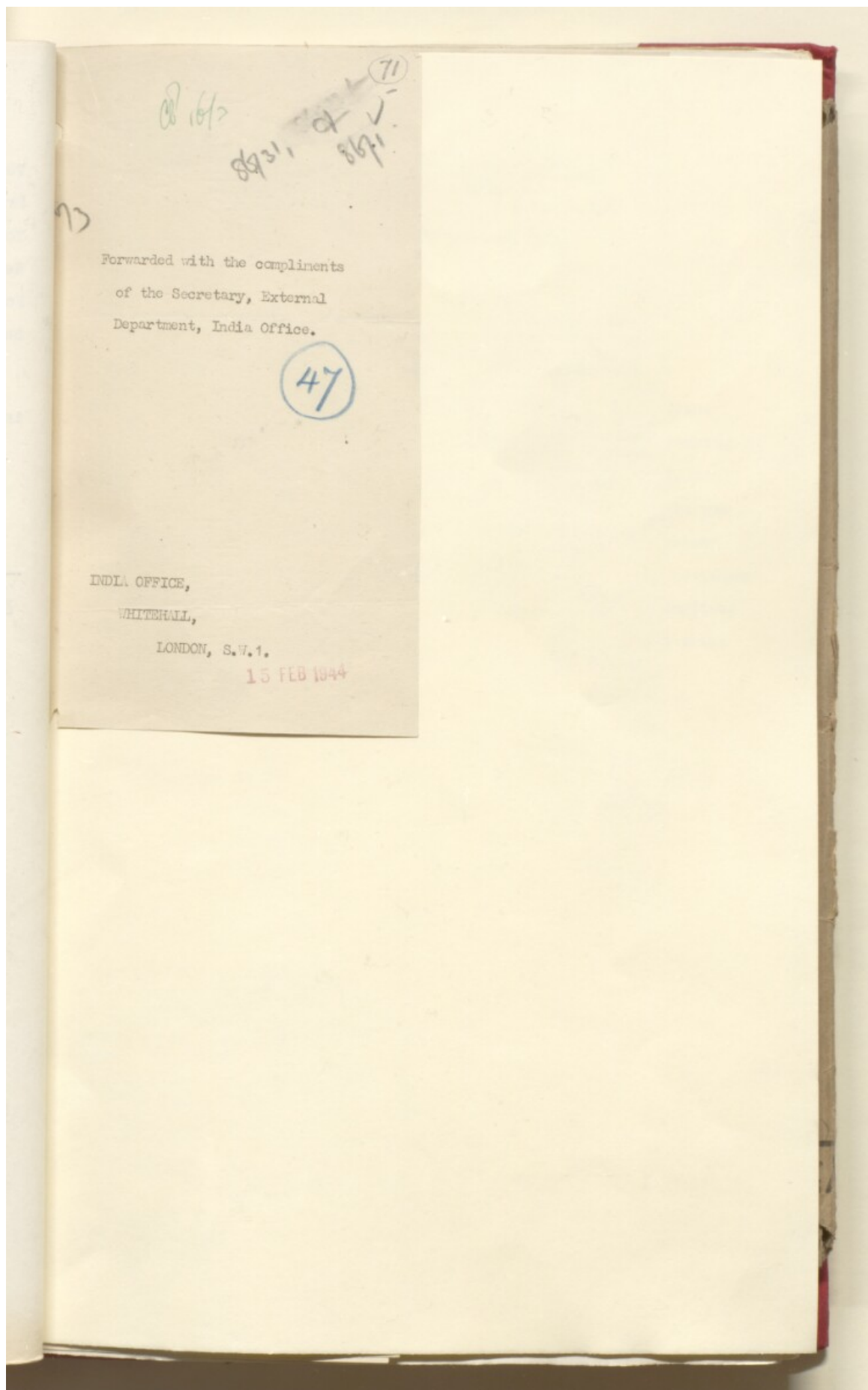
No.244-S

British Residency & Consulate-General,  
Bushire,  
the 14th. March 1944.

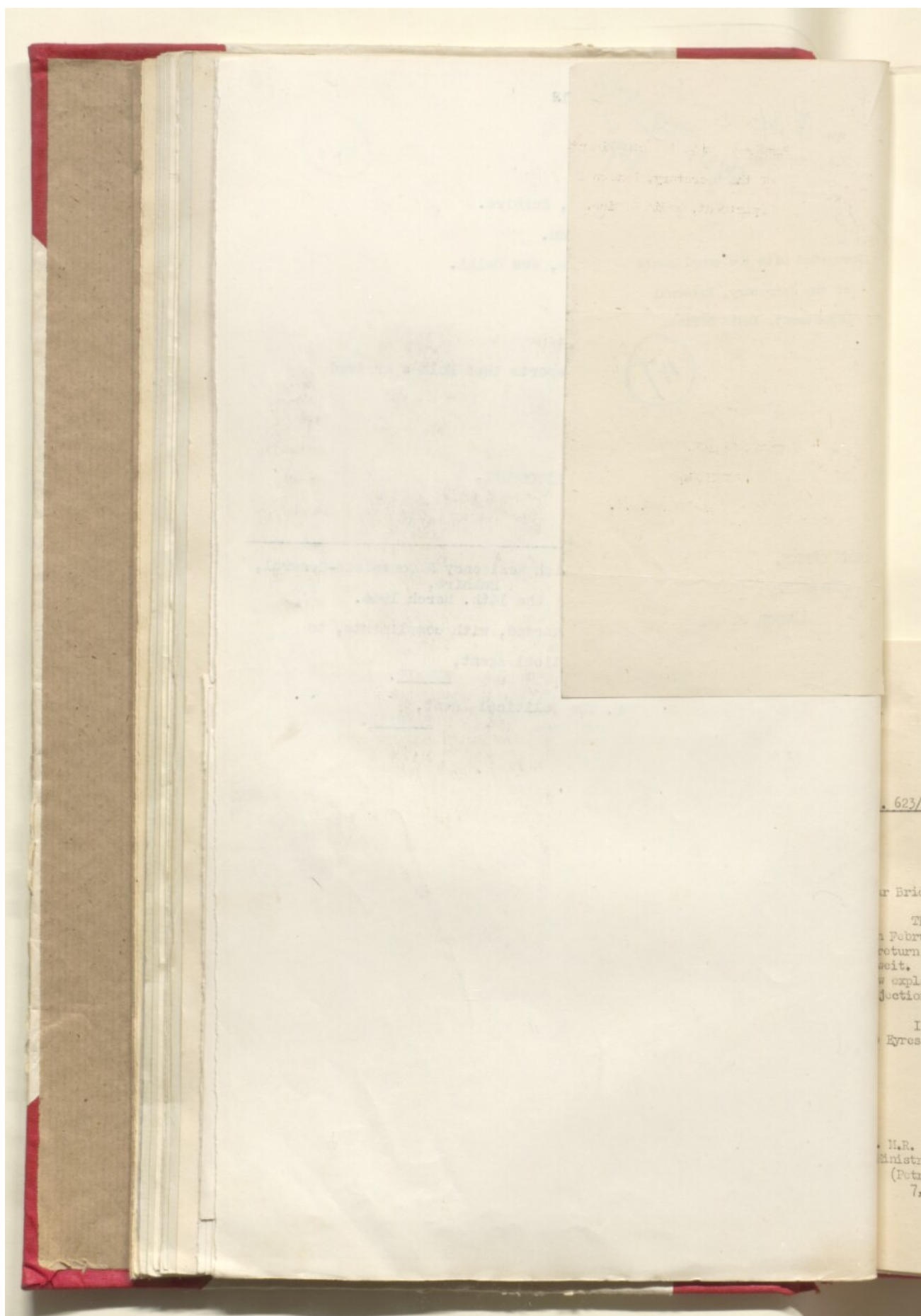
Copy forwarded, with compliments, to

1. Political Agent,  
KUWAIT.
2. The Political Agent,  
BAHRAIN.









623/1

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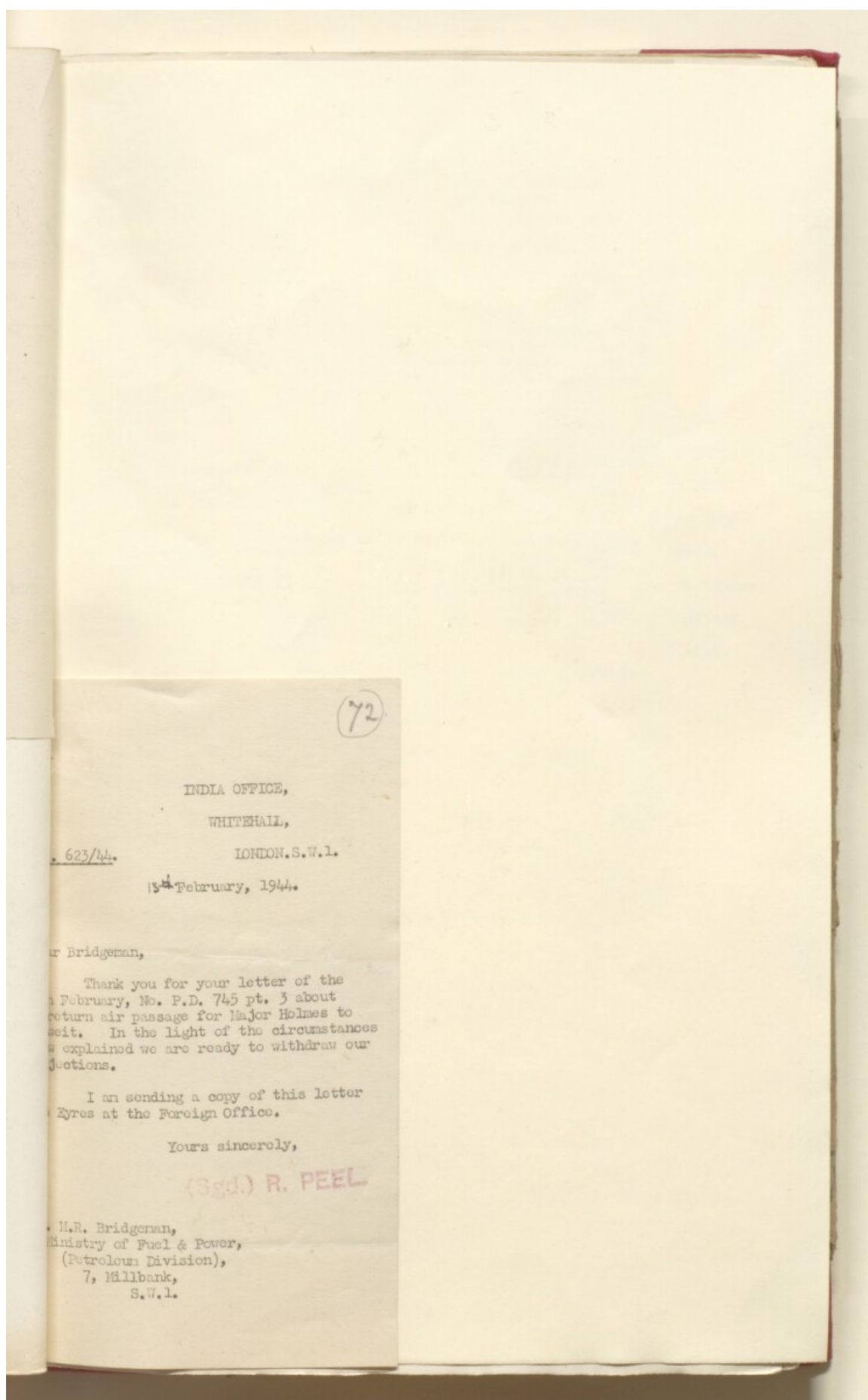
Eyres

M.R. I

Ministry

(Petar

7,



INDIA OFFICE,

WHITEHALL,

LONDON, S.W.1.

623/44.

15<sup>th</sup> February, 1944.

Mr Bridgeman,

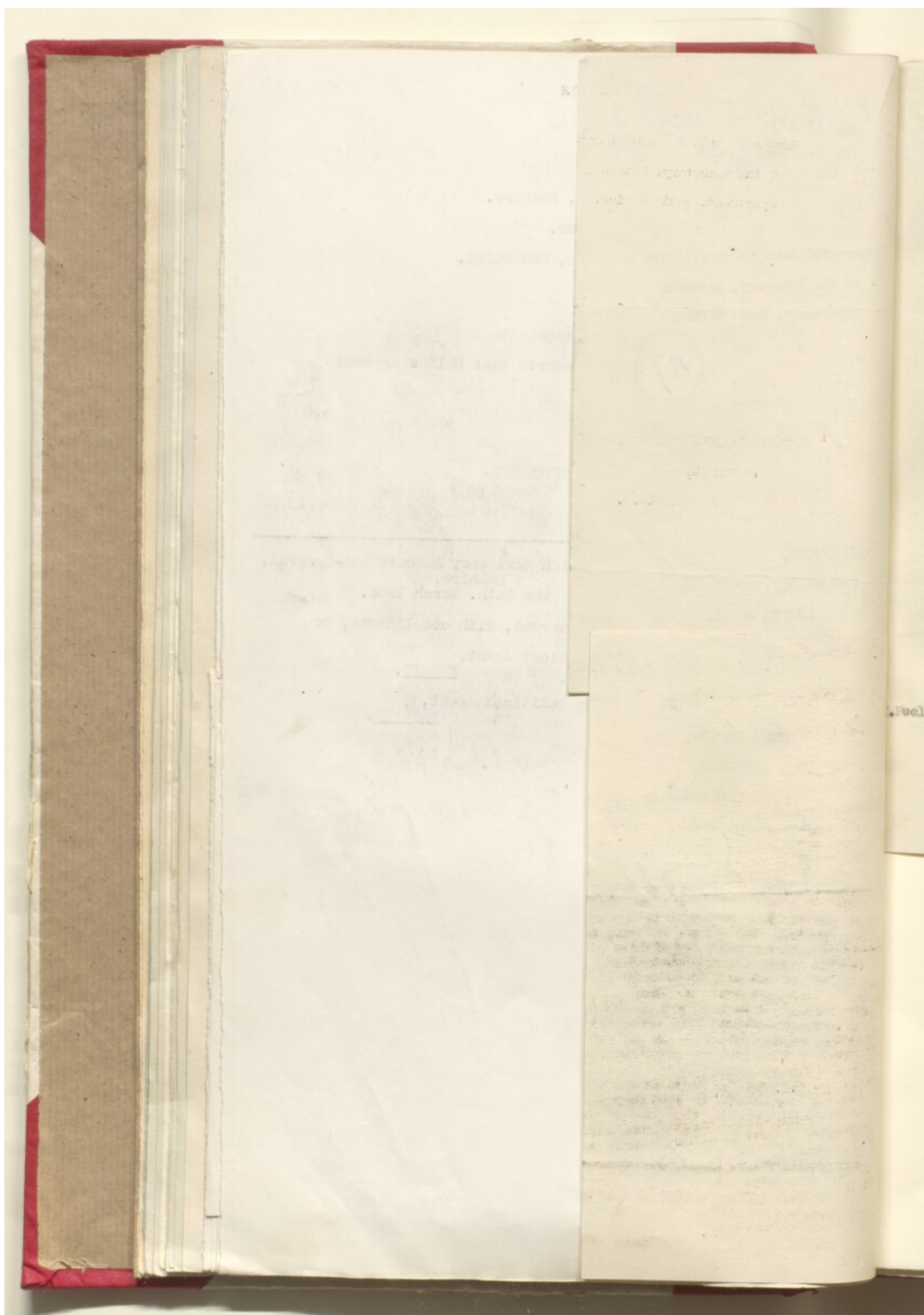
Thank you for your letter of the 14th February, No. P.D. 745 pt. 3 about return air passage for Major Holmes to Kuwait. In the light of the circumstances we explained we are ready to withdraw our objections.

I am sending a copy of this letter to the Foreign Office.

Yours sincerely,

(Sgd.) R. PEEL

Mr. R. Bridgeman,  
Ministry of Fuel & Power,  
(Petroleum Division),  
7, Millbank,  
S.W.1.







COPY

EXT. 623/44.

Reference: PD. 745 pt. 3.

Your Ref. Ext. 310/44.

MINISTRY OF FUEL AND POWER,  
(Petroleum Division),  
7, Millbank,  
LONDON, S.W.1.

9th February, 1944.

Dear Peel,

When we received your letter of January 28th we were in full agreement with your views that the position was not such as to justify the grant of a return air passage for Major Holmes to Kuwait. Since then, however, there has been an announcement in the press about a new Arabian pipeline project to be undertaken by the U.S. Government. As this is likely to involve Kuwait as well as Saudi Arabia, we are particularly anxious to get some first-hand information regarding the reactions of the rulers in that part of the world to this project, together with an indication of any more detailed negotiations which the Americans have been, or may be, carrying out in regard to the route of the pipeline, and other local arrangements.

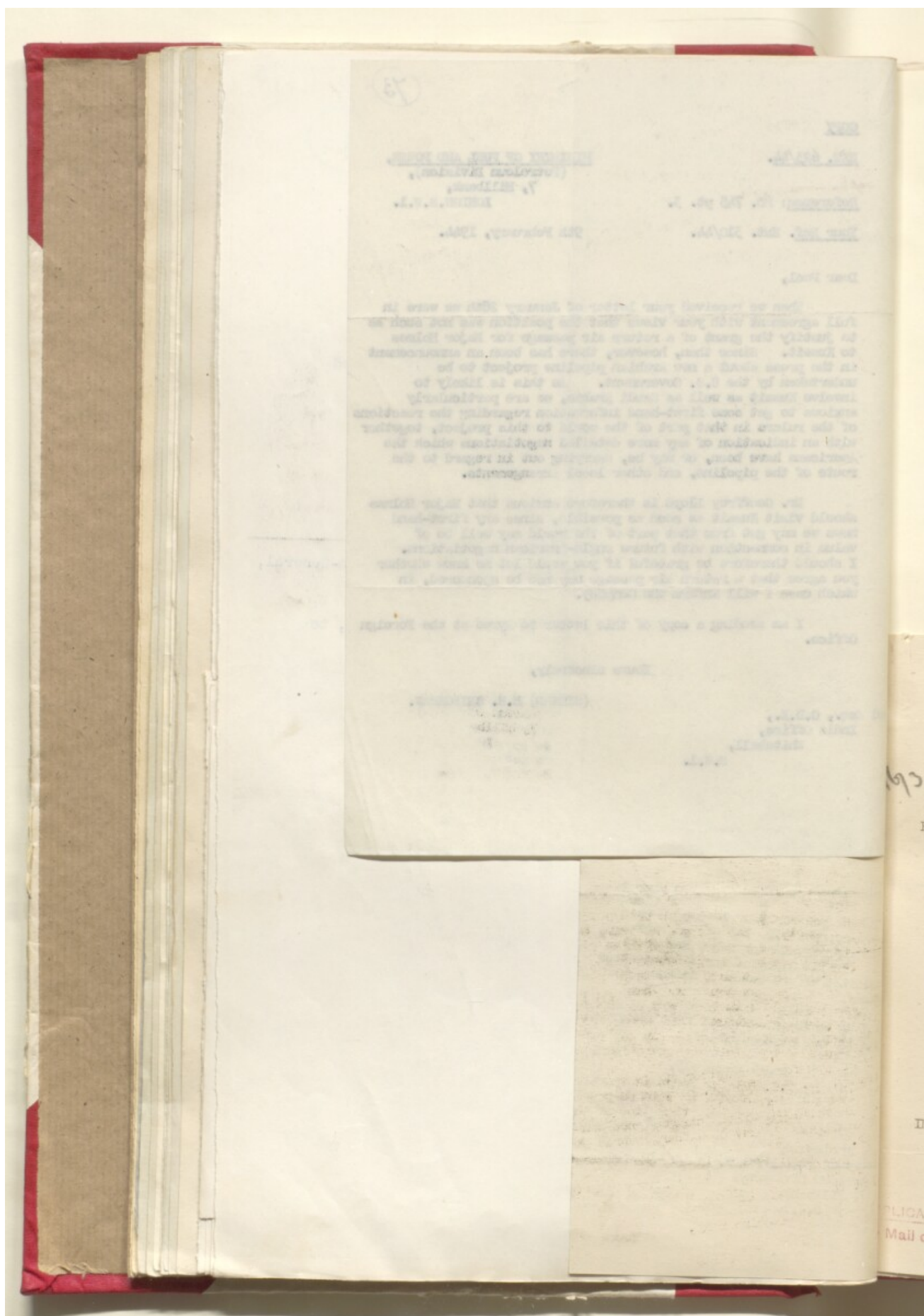
Mr. Geoffrey Lloyd is therefore anxious that Major Holmes should visit Kuwait as soon as possible, since any first-hand news we may get from that part of the world may well be of value in connection with future Anglo-American negotiations. I should therefore be grateful if you would let me know whether you agree that a return air passage may now be sponsored, in which case I will inform the Company.

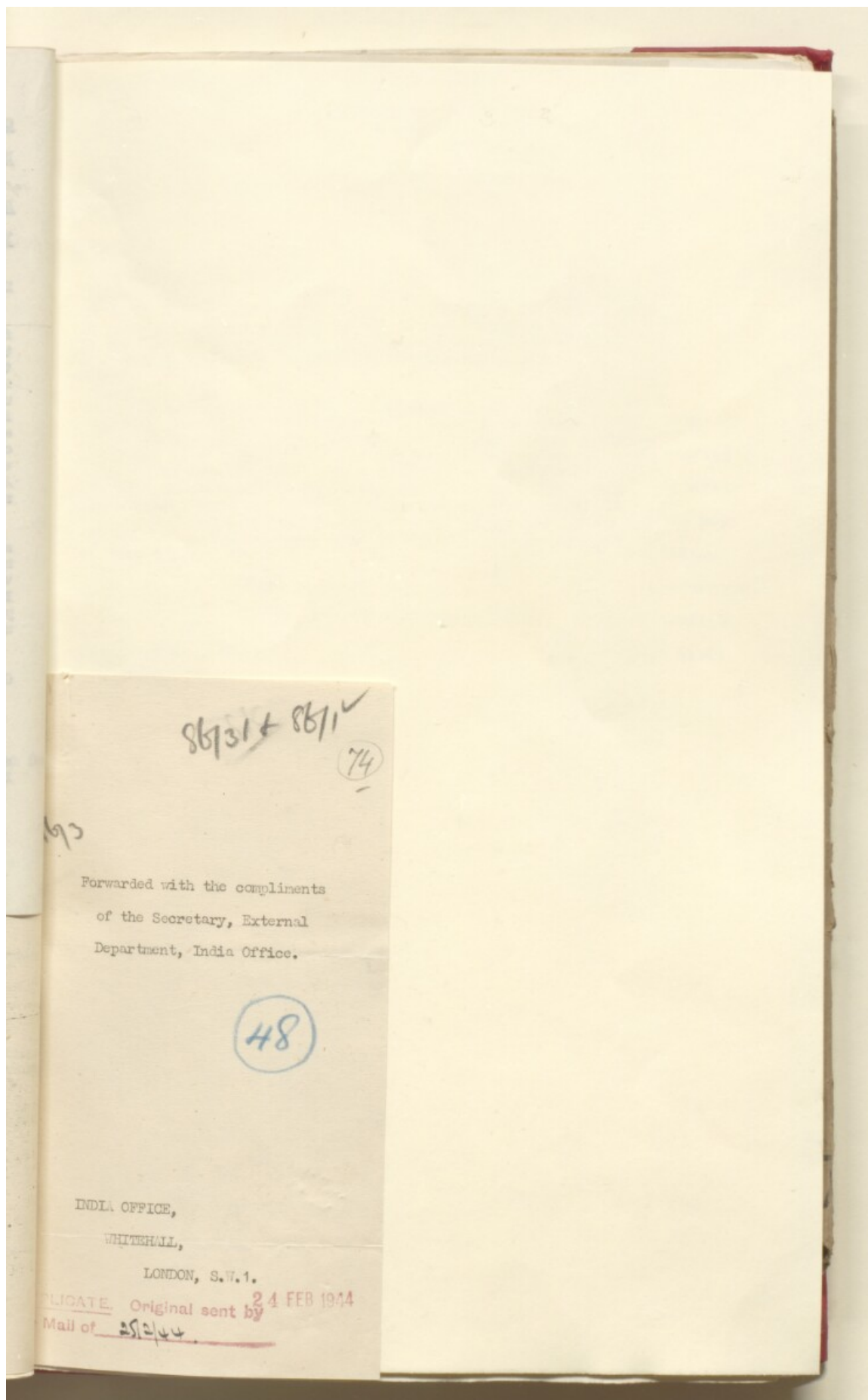
I am sending a copy of this letter to Sykes at the Foreign Office.

Yours sincerely,

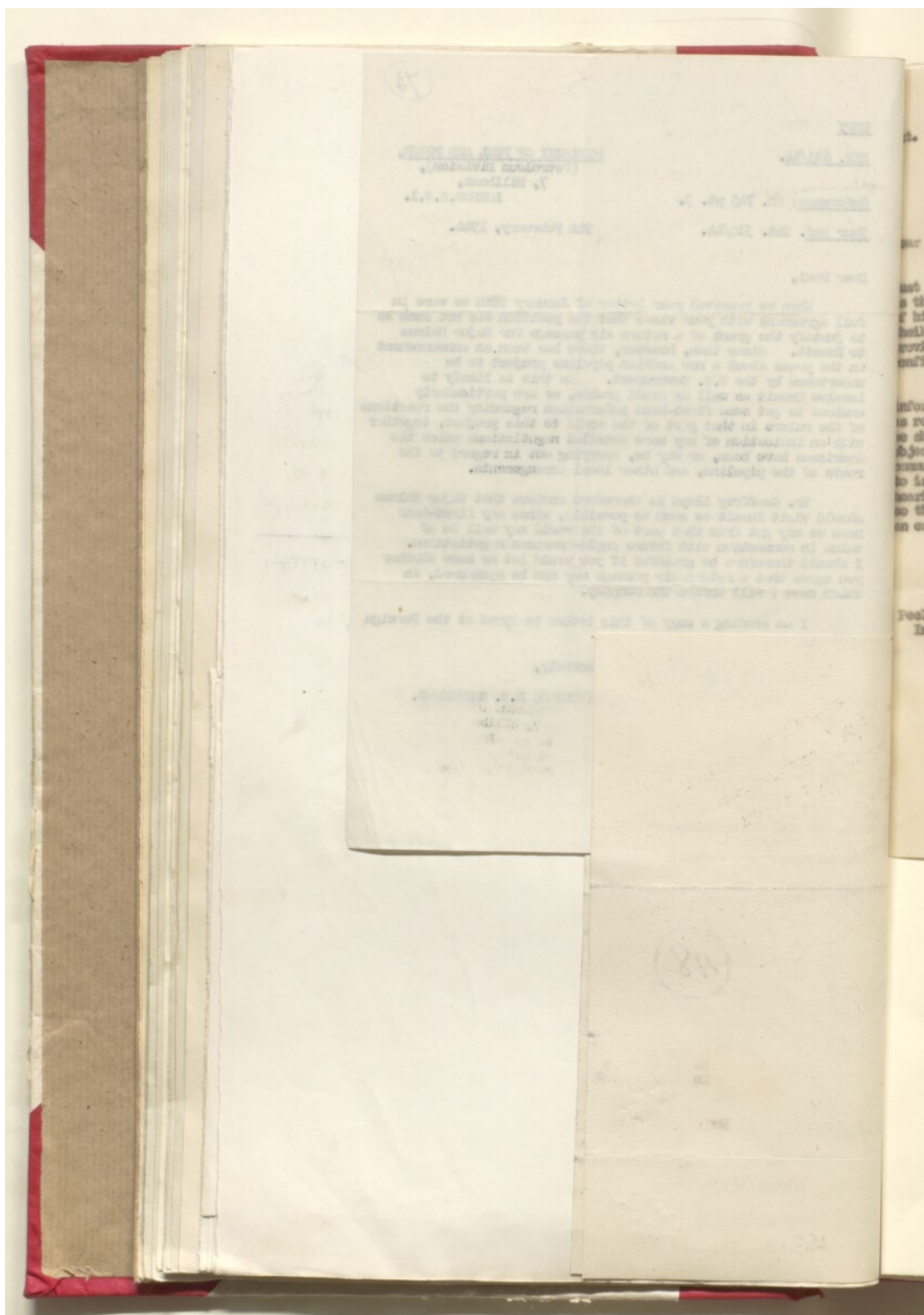
(SIGNED) H.R. BRIDGMAN.

Mr. Peel Esq., C.B.E.,  
India Office,  
Whitehall,  
S.W.1.











2. 711/44.

75  
MINISTRY OF FUEL AND POWER,  
(PETROLEUM DIVISION),  
7, WHITEHALL, S.W. 1.

19th February, 1944.

Dear Peel,

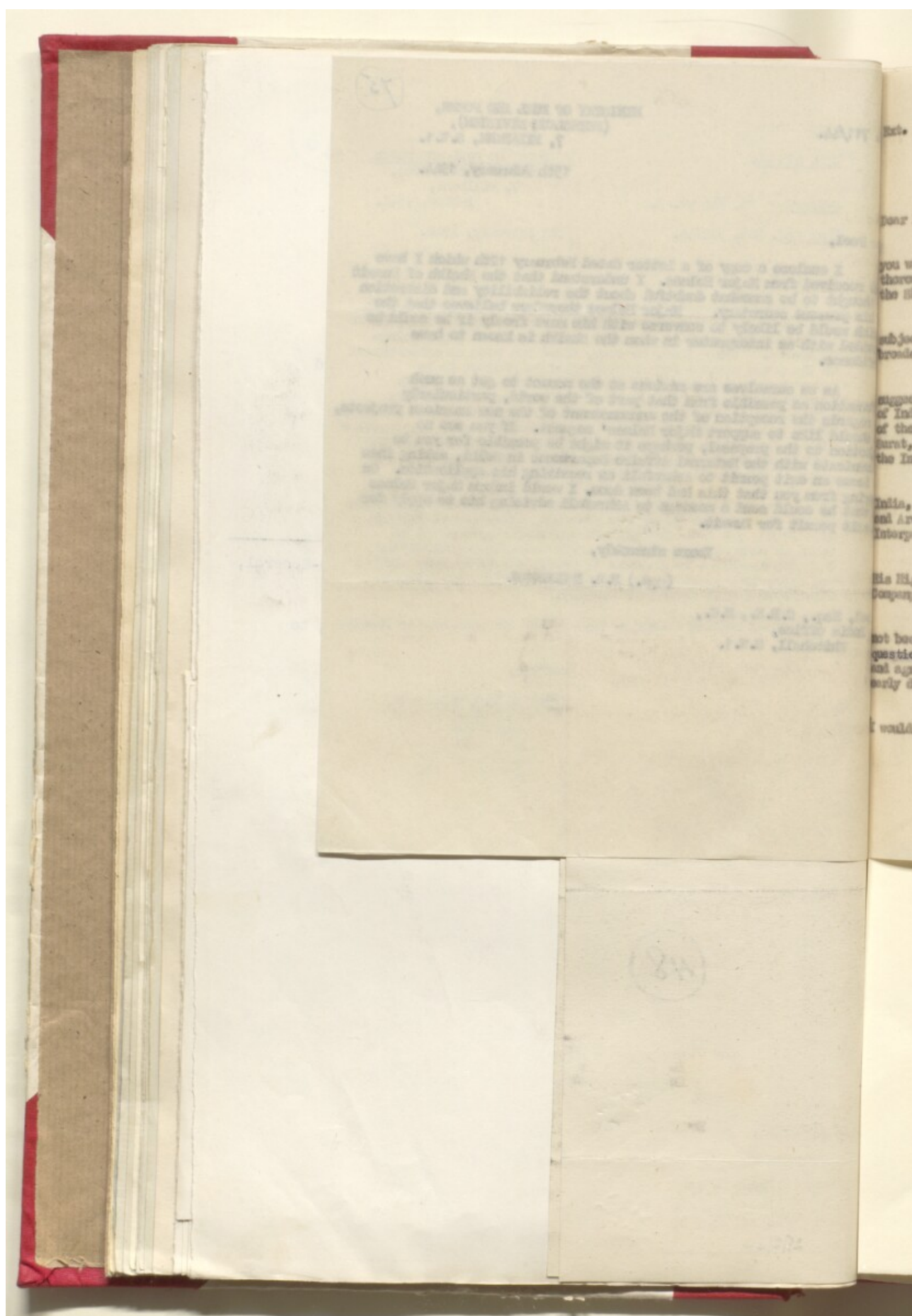
I enclose a copy of a letter dated February 12th which I have just received from Major Holmes. I understand that the Sheikh of Kuwait is thought to be somewhat doubtful about the reliability and discretion of his present secretary. Major Holmes therefore believes that the Sheikh would be likely to converse with him more freely if he could be provided with an interpreter in whom the Sheikh is known to have confidence.

As we ourselves are anxious at the moment to get as much information as possible from that part of the world, particularly as regards the reception of the announcement of the new American projects, we should like to support Major Holmes' request. If you see no objection to the proposal, perhaps it might be possible for you to communicate with the External Affairs Department in Delhi, asking them to issue an exit permit to Ashrafali on receiving his application. On hearing from you that this had been done, I would inform Major Holmes so that he could send a message to Ashrafali advising him to apply for an exit permit for Kuwait.

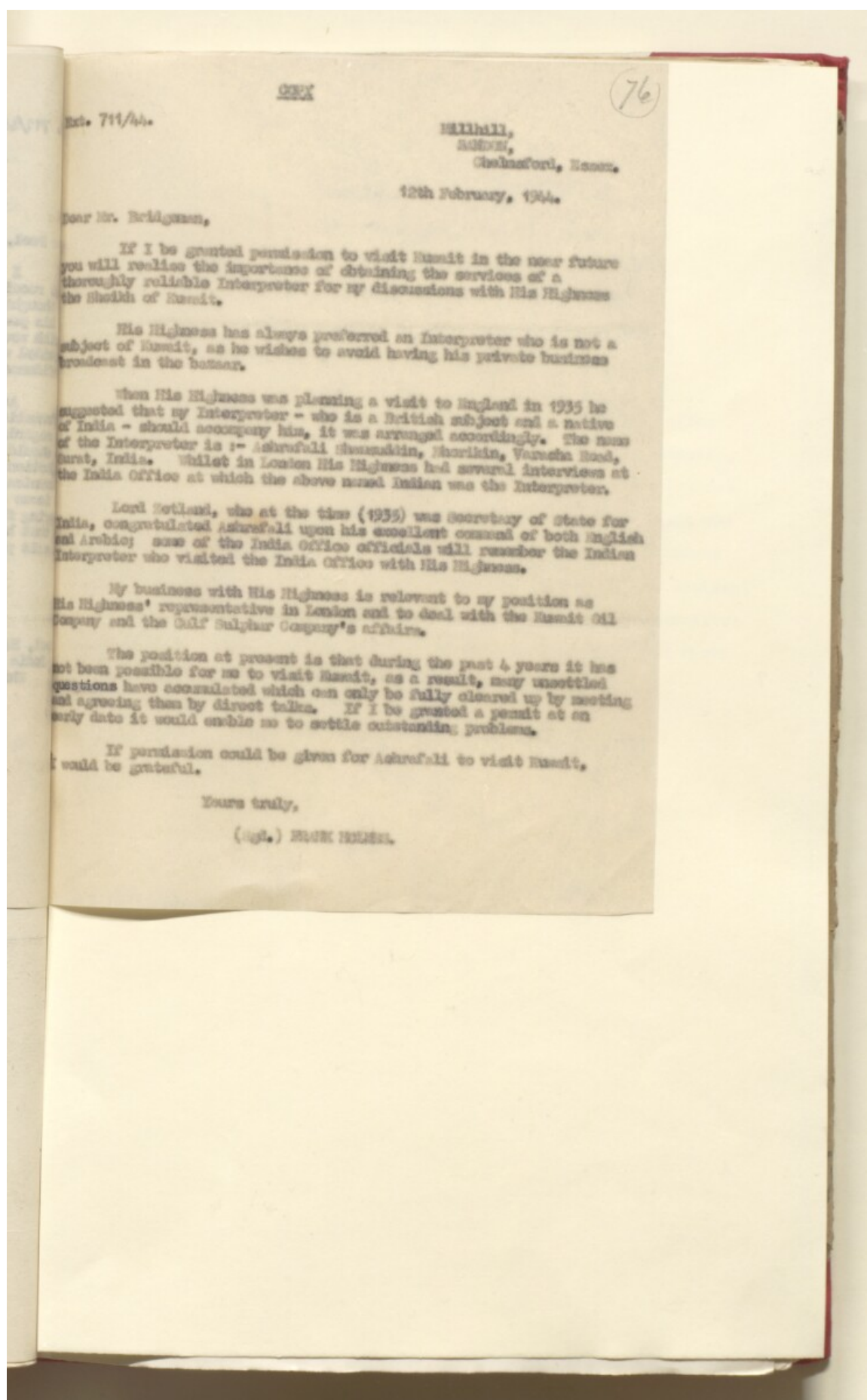
Yours sincerely,

(sgd.) H. R. BARKER.

Peel, Esq., C.B.E., M.C.,  
India Office,  
Whitehall, S.W. 1.







Ext. 711/44. 76  
MILHILL,  
ADDON,  
Chelmsford, Essex.  
12th February, 1944.

Dear Mr. Bridgman,

If I be granted permission to visit Kuwait in the near future you will realise the importance of obtaining the services of a thoroughly reliable Interpreter for my discussions with His Highness the Sheikh of Kuwait.

His Highness has always preferred an Interpreter who is not a subject of Kuwait, as he wishes to avoid having his private business broadcast in the bazaar.

When His Highness was planning a visit to England in 1935 he suggested that my Interpreter - who is a British subject and a native of India - should accompany him, it was arranged accordingly. The name of the Interpreter is :- Ashraf Ali Khan, who is a native of India. Whilst in London His Highness had several interviews at the India Office at which the above named Indian was the Interpreter.

Lord Pethick, who at the time (1935) was Secretary of State for India, congratulated Ashraf Ali upon his excellent command of both English and Arabic; some of the India Office officials will remember the Indian Interpreter who visited the India Office with His Highness.

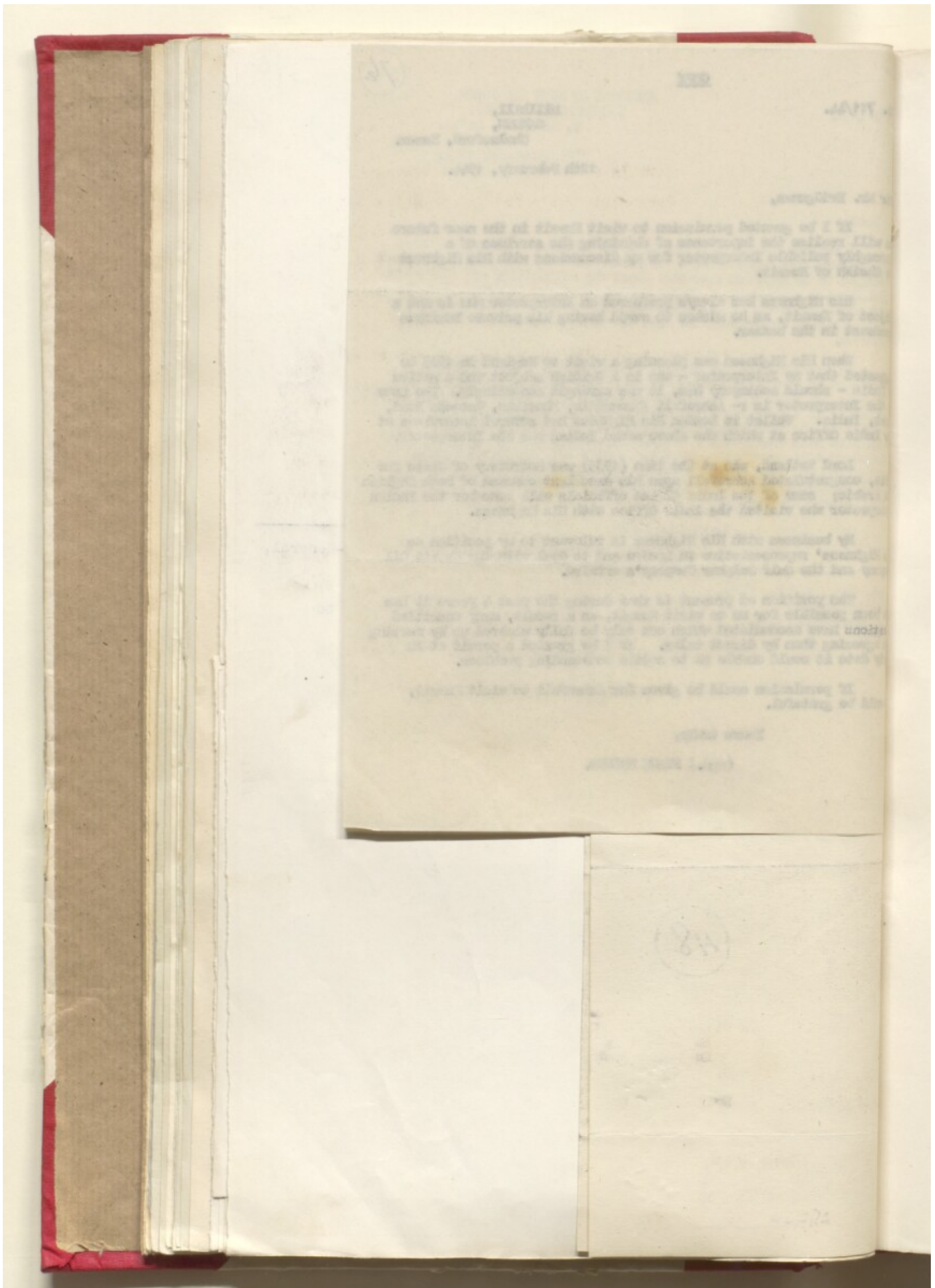
My business with His Highness is relevant to my position as His Highness' representative in London and to deal with the Kuwait Oil Company and the Gulf Sulphur Company's affairs.

The position at present is that during the past 4 years it has not been possible for me to visit Kuwait, as a result, many unsettled questions have accumulated which can only be fully cleared up by meeting and agreeing them by direct talks. If I be granted a permit at an early date it would enable me to settle outstanding problems.

If permission could be given for Ashraf Ali to visit Kuwait, I would be grateful.

Yours truly,

(Sgd.) FRANK HUDSON.





86/31 & 86/1.

Telegram S(Pad).  
From Government of India, New Delhi.  
To India Office, London.  
Repeated Political Resident, Bushire.  
No. 2981.  
Dated and received 17th March 1944.

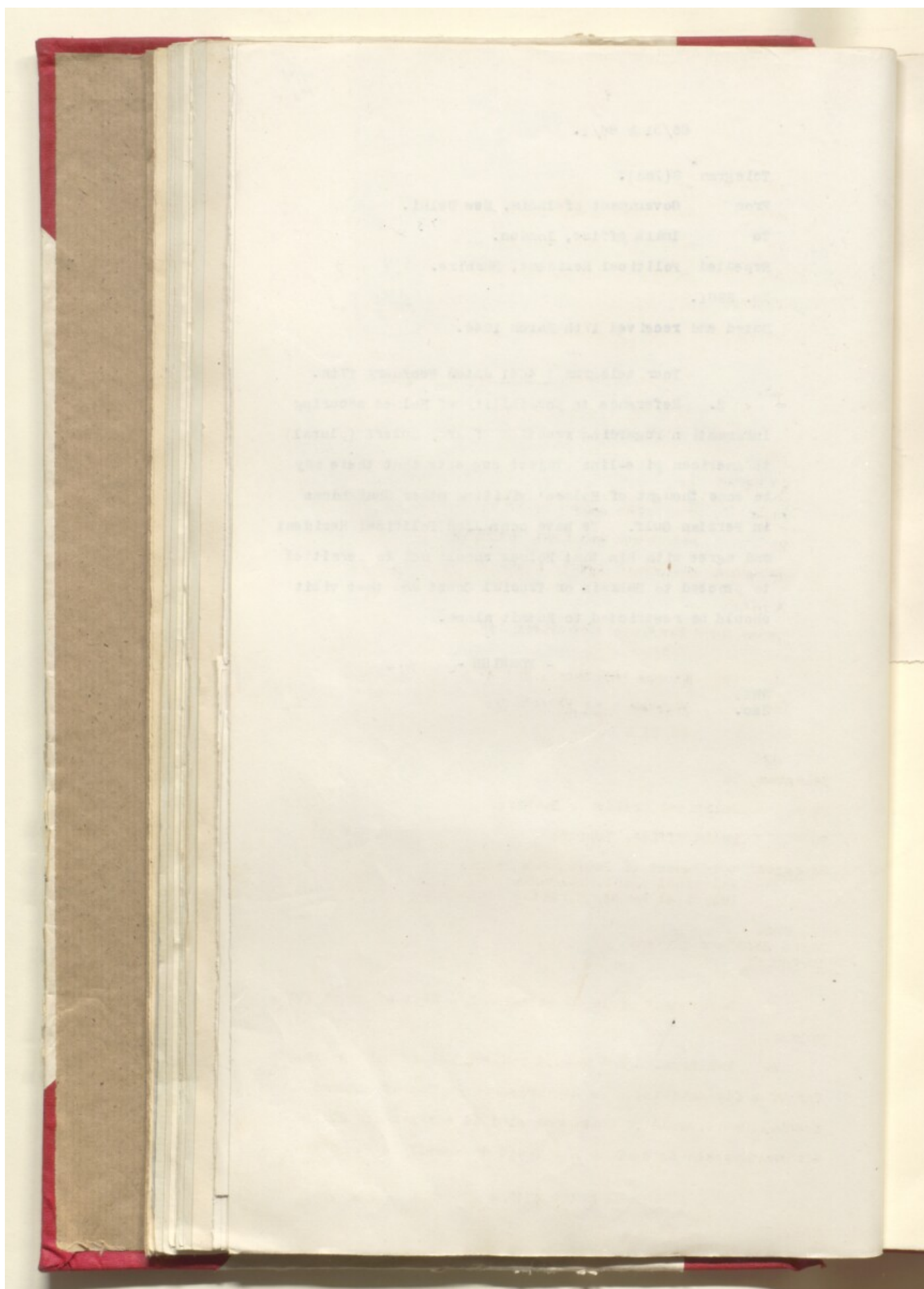
Your telegram 7 4041 dated February 17th.

2. Reference to possibility of Holmes securing information regarding reaction of Arab Rulers (plural) to American pipe-line project suggests that there may be some thought of Holmes' visiting other Shaikhdoms in Persian Gulf. We have consulted Political Resident and agree with him that Holmes should not be permitted to proceed to Bahrain or Trucial Coast and that visit should be restricted to Kuwait alone.

- FOREIGN -

RHL.  
2cc.







86/31 & 86/1.

Telegram Q.

From Political Agent, Kuwait.

To Political Resident, Bushire.

Repeated Political Agent, Bahrain.

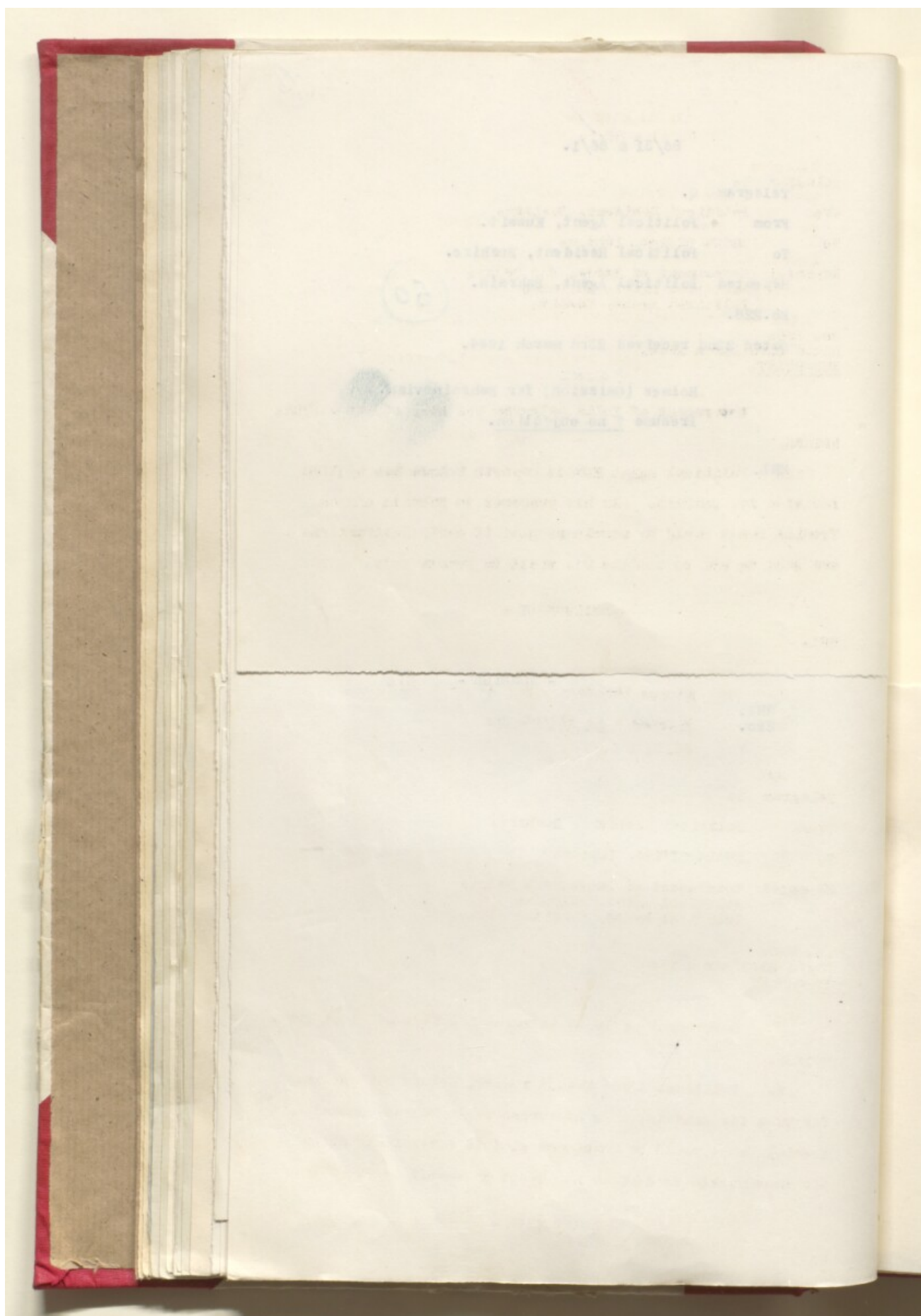
No.228.

Dated 22nd received 23rd March 1944.

<sup>? asks</sup>  
Holmes (Mission) for Bahrain visa.

Presume no objection.

RHL.







86/31 & 86/1. ✓

79.

Telegram S.

From Political Resident, Bushire.

To India Office, London.

Repeated Government of India, New Delhi.  
Political Agent, Bahrain.  
Political Agent, Kuwait.

No. 750.

Dated 23rd March 1944.

IMPORTANT.

51

S.49

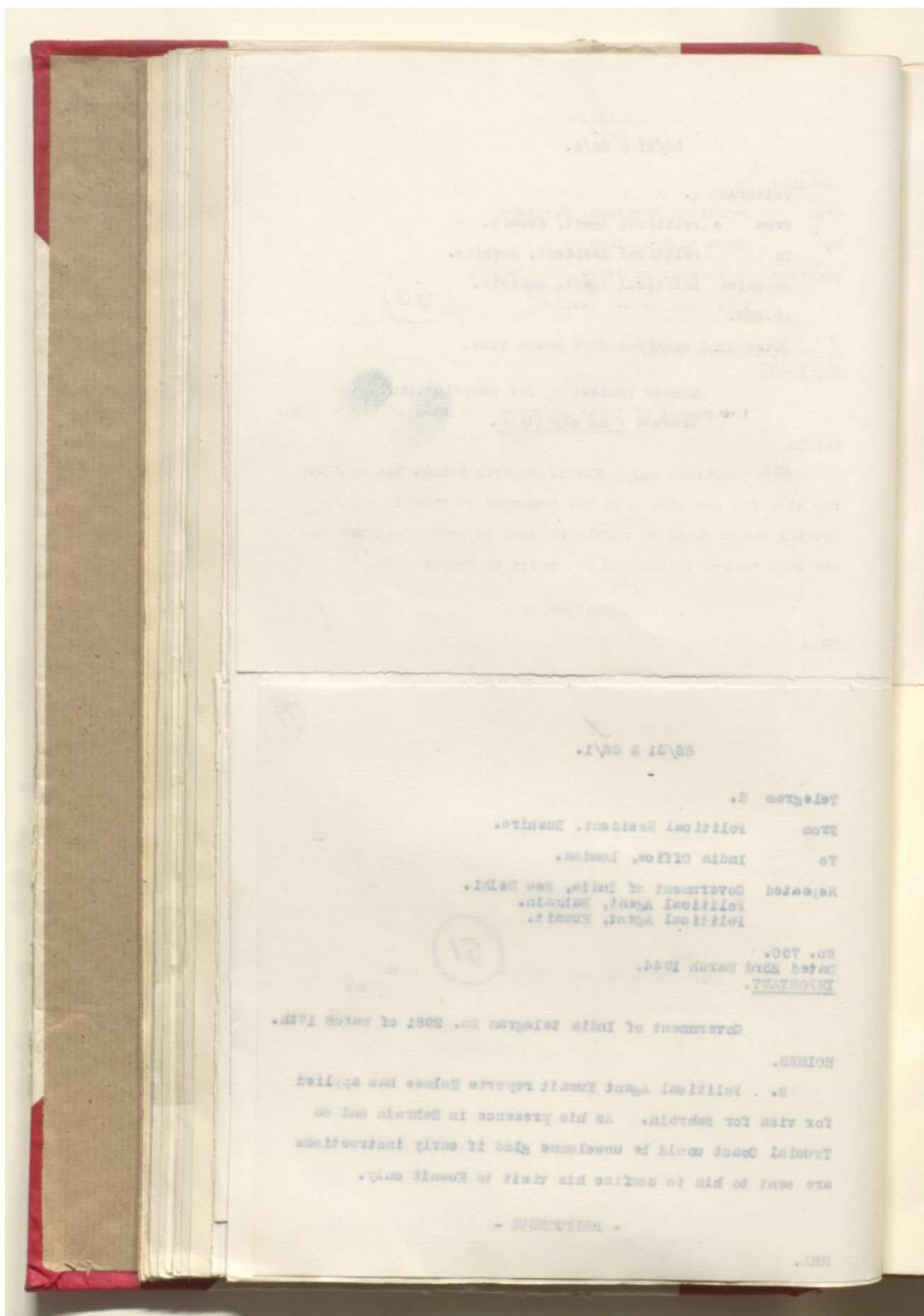
Government of India telegram No. 2981 of March 17th.

HOLMES.

2. Political Agent Kuwait reports Holmes has applied for visa for Bahrain. As his presence in Bahrain and on Trucial Coast would be unwelcome glad if early instructions are sent to him to confine his visit to Kuwait only.

- BRITCONSUL -

RHL.





86/31 & 86/1.

Telegram Q.

From India Office, London.

To Government of India, New Delhi.

Repeated Political Resident, Bushire.

No. 7073.

Dated and received 26th March 1944.

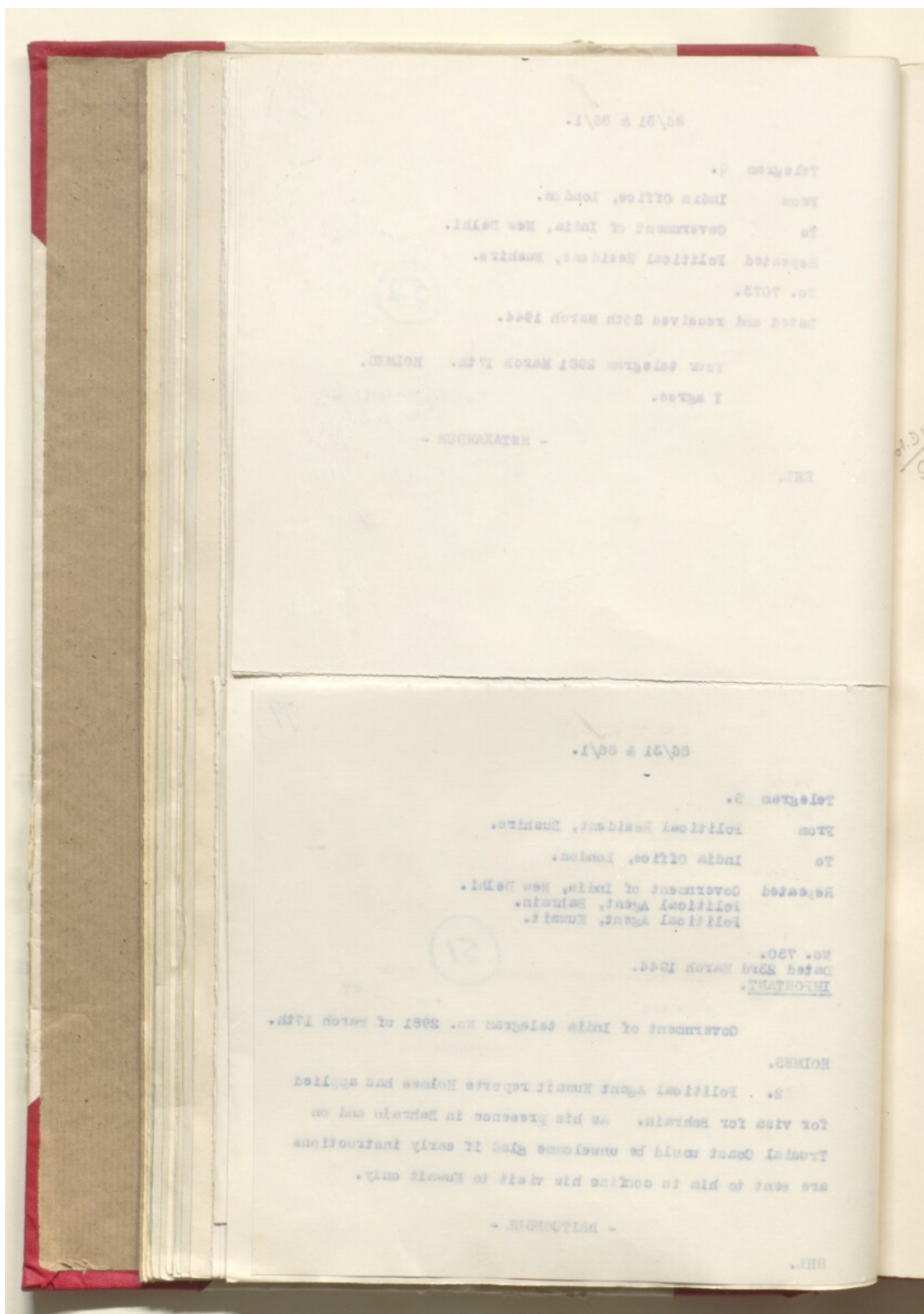
549  
Your telegram 2981 March 17th. HOLMES.

I agree.

- RETAXANDUM -

RHL.







86/1.

Telegram S(D).  
From Political Agent, Kuwait.  
To Political Resident, Bushire.  
No. 254.  
Dated 1st received (after repetition) 5th April 1944.

JAMESON Anglo-Persian Oil Company Director told me on March 28th that he had had an interview with Shaikh that day and he showed me draft of proposed agreement, the terms of which were made known to Shaikh by which Anglo-Persian Oil Company promise to pay Shaikh annually Rs. ~~£~~ 4,00,000 half ~~£~~ 8,00,000 as advances of royalty to be recovered by method described in enclosures to Kuwait Printed Letter C/152 dated April 8th 1940. I had been hoping for copy of draft but learn from Dickson that none was left here by Jameson when he departed on March 27th. I understand he intends to endeavour to obtain agreement (of) other directors both British and American to proposal and then to return (mut.) to obtain Shaikh's formal acceptance.

2. Shaikh did not consult me during negotiations. I gather he treated Jameson Dickson and Holmes to discourse on generosity of Americans as contrasted with the stinginess of British while reaffirming his loyalty to latter. He seemed pleased with result of negotiations.

3. Jameson indicated to me that "if he had anything to do with it" Kuwait Oil Company would operate shortly.

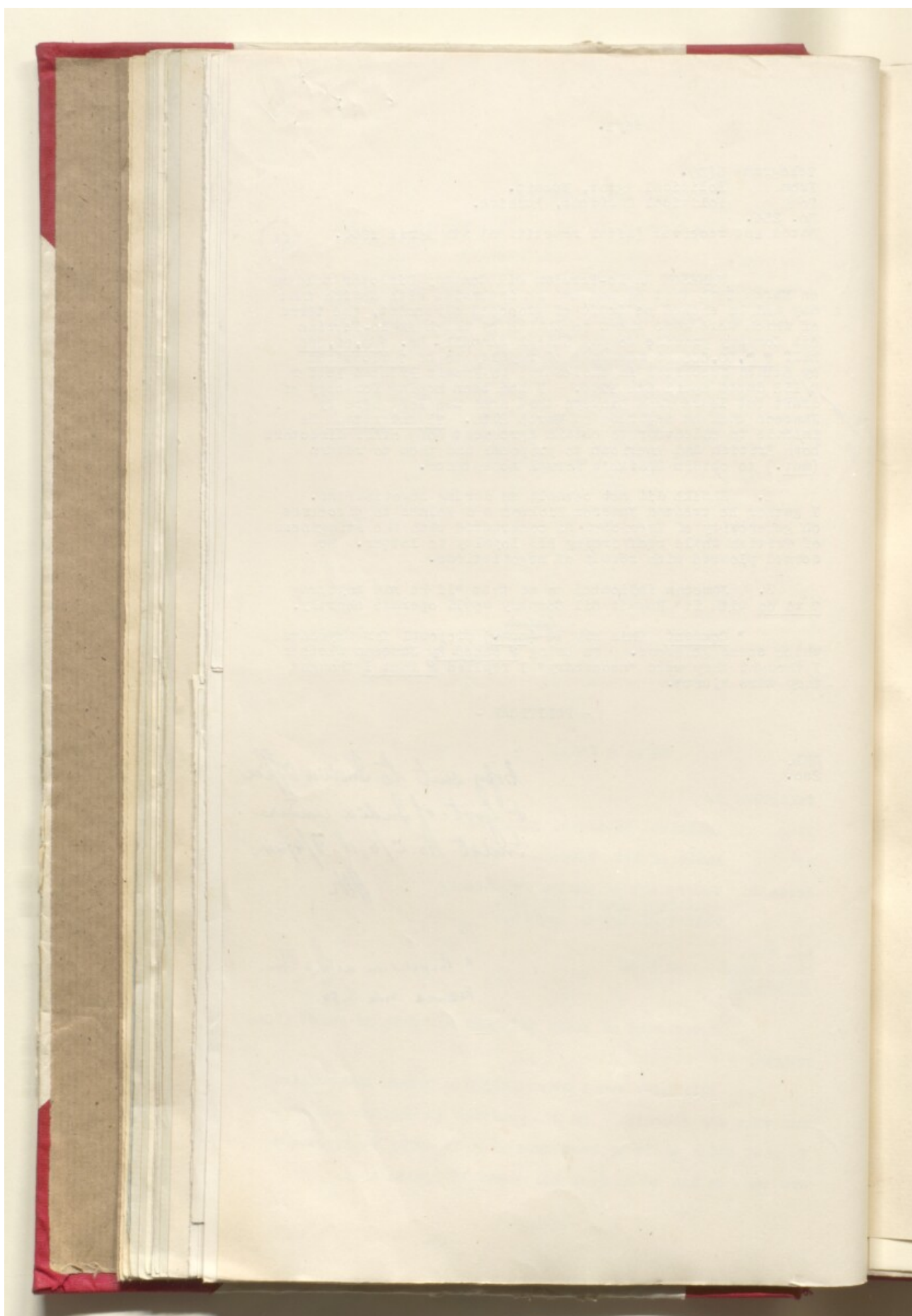
\* Comment This may be <sup>explain</sup> (mut.) proposal for payments which seems generous. On being ~~asked~~ <sup>asked</sup> by Jameson whether I thought they were "necessary" I replied ~~that~~ <sup>that</sup> I thought they were "just".

- POLITICAL -

RHL.  
Enc.

*Copy sent to India Office  
& Govt. of India under  
Encls. No. C/6, d. 9/4/44.  
AMh*

\* Repetition asked for.  
Received vide S.54.







✓  
86/1 & 86/31. (12)

Telegram S.

From Political Agent, Kuwait.

To Political Resident, Bushire.

No. 270.

Dated and received 6th April 1944.

IMMEDIATE. (54)

Your telegram 879. *requesting reply of S 53.*

2. Confirmed 4 repeat 4 lakhs.

3. Following is repetition of last paragraph:

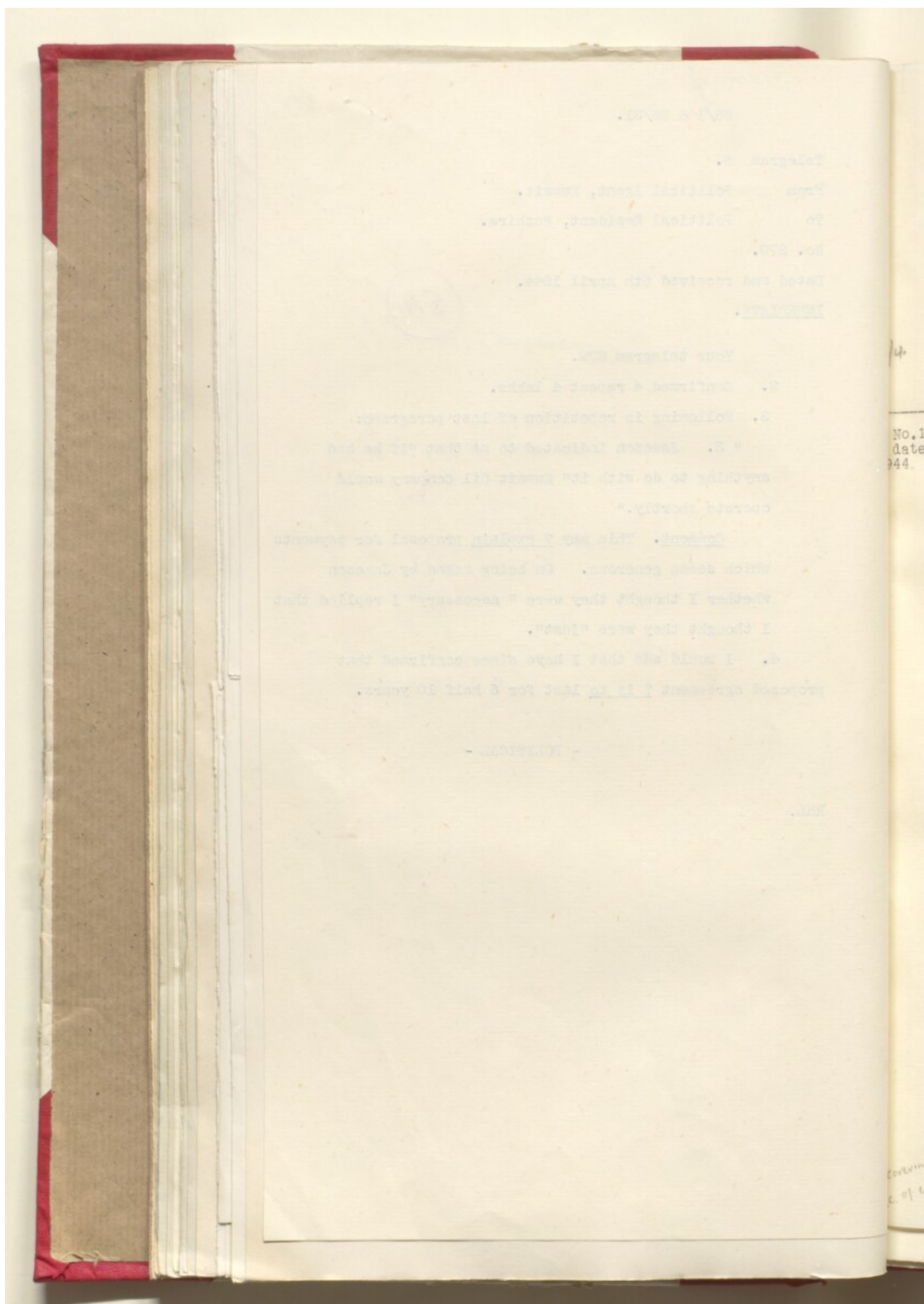
" 3. Jameson indicated to me that "if he had anything to do with it" Kuwait Oil Company would operate shortly."

Comment. This may ? explain proposal for payments which seems generous. On being asked by Jameson whether I thought they were " necessary" I replied that I thought they were "just".

4. I would add that I have since confirmed that proposed agreement ? is to last for 5 half 10 years.

- POLITICAL -

RHL.



Confidential

D.O.No.C/295

86/1  
- R 25/4

BUSHI	AGENCY.
No. 689.	
Date 28/4/44.	
CONFIDENTIAL RECORDS	

Political Agency,  
Kuwait.  
19th April, 1944.

*Dear Sir,*

You will recall our conversations during your stay here from the 13th to the 18th instant on the subject of the new series of payments by the Kuwait Oil Company of advances of Royalty to the Shaikh; and that you asked me to send you copies of the correspondence between Jameson and the Shaikh concerning them. I now enclose copies of "Certified True Copies" of the relevant letters as noted in the margin. I am filing the "Certified True Copies" with my records.

You will also remember that I expressed some doubt on the question as to whether the Company should have conducted their negotiations with the Shaikh in this matter through myself as Political Agent; and that you asked me to let you have a considered opinion on the question. The clause relative to it in the Political Agreement between His Majesty's Government and the Company, which I had in mind, is No.4 and reads as follows; "One of the superior local employees of the Company shall be designated chief local representative of the Company in Kuwait. The approval of His Majesty's Government shall be required for the person so designated. He will be ordinarily resident at Kuwait and will be responsible for the Company's local relations with the Kuwait authorities. These local relations shall always be conducted through the Political Agent at Kuwait, except as regards routine commercial business, which may be transacted through the official representative (if any) whom the Shaikh may appoint under the agreement between the Company and the Shaikh."

It seems to me, on consideration, quite fair to argue that this clause only concerns the "local relations" of the Company; that the arrangements regarding advances of Royalty are not part of "local relations"; and (as is in fact the case) that/

*covering letter  
of enclosed.*



View on the Qatar Digital Library: [http://www.qdl.qa/en/archive/81055/vdc\\_100023614898.0x0000a9](http://www.qdl.qa/en/archive/81055/vdc_100023614898.0x0000a9)



2.

that there is no other provision in the Political Agreement (or in the Commercial Agreement between the Company and the Shaikh) making it incumbent on the Company to negotiate such arrangements through the Political authorities. We would not, therefore, have a strong case for insisting that, according to the letter of the agreements, the Company should negotiate through us. <sup>Not</sup> ~~Here~~, again after consideration, do I think that it is at all expedient or necessary that we should do so on general grounds. Ordinarily, even we cannot touch oil, and not be defiled. The fact that the Shaikh did not refer to me during these recent negotiations may, I think, be taken to imply, not that he distrusts the Political authorities, but that he trusts the Company in the person of Jameson well enough to be able to dispense with our advice; this is to the good. Further, this fact precludes the Shaikh from having any complaint against us if (which God forbid!) the new agreement should not turn out to his liking. The Company, as you know, informed me (withal very informally) of the result of the negotiations thus admitting our ultimate directive right in their activities, and their desire to have us on their side. This is also to the good. Finally, in this as in other similar cases, I believe that the parties concerned will come to us if they have any trouble; and that, provided Government's interests are not threatened, it is better to leave them alone if they do not do so. The other course - direct interference - is likely to saddle us with undesirable and unnecessary responsibilities for (occasionally) murky commercial transactions and, in the case of a man like the Shaikh, to cheapen our help in his eyes when it is proffered unasked. If you generally agree, then the only action now required is to send copies of the enclosures to His Majesty's Government and to the Government of India for information. 329

*Yours sincerely,*  
*G. Kelly.*

The Hon'ble Sir Geoffrey Prior, K.C.I.E.,  
 Political Resident in the Persian Gulf,  
 Bushire.





2.

that there is no other provision in the Political Agreement (or in the Commercial Agreement between the Company and the Shaikh) making it incumbent on the Company to negotiate such arrangements through the Political authorities. We would not, therefore, have a strong case for insisting that, according to the letter of the agreements, the Company should negotiate through us. <sup>very</sup> again, after consideration, do I think that it is at all expedient or necessary that we should do so on general grounds. Ordinarily, even we cannot touch oil, and not be defiled. The fact that the Shaikh did not refer to me during these recent negotiations may, I think, be taken to imply not that he distrusts the Political authorities, but that he trusts the Company in the person of Jameson well enough to be able to dispense with our advice; this is to the good. Further, this fact precludes the Shaikh from having any complaint against us if (which God forbid!) the new agreement should not turn out to his liking. The Company, as you know, informed me (withal very informally) of the result of the negotiations thus admitting our ultimate directive right in their activities, and their desire to have us on their side. This is also to the good. Finally, in this as in other similar cases, I believe that the parties concerned will come to us if they have any trouble; and that, provided Government's interests are not threatened, it is better to leave them alone if they do not do so. The other course - direct interference - is likely to saddle us with unpleasant and unnecessary responsibilities for (occasional) murky commercial transactions and, in the case of a man like the Shaikh, to cheapen our help in his eyes when it is proffered unasked. If you generally agree, then the only action now required is to send copies of the enclosures to His Majesty's Government and to the Government of India for information.

It seems to me, on consideration, that this clause only concerns the Political Agreement.

The Hon'ble Sir Geoffrey Prior, K.C.I.E.,  
Political Resident in the Persian Gulf,  
Bashire.





الرقم ١٥٠ No.150.

المؤرخ ١٧ نيسان ١٩٤٤ Date: 17th April, 1944.

سمو الامير الشيخ المير احمد الجابر الصباح  
كي.سي. لن. اي. - كي.سي. اي. اي.  
امير الكويت

H.H. Shaikh Sir Ahmed al Jabir Al-Subah,  
K.C.S.I., K.C.I.E.,  
Ruler of Kuwait.

D.158  
p.162

سمو الامير

Your Highness,

تحية واحتراما وبعد لنا الشرف بان نكتب  
كتابنا المؤرخ في ١٨ اذار ١٩٤٠ وموجبه  
قد تم الاتفاق على تسليم الشركة الى سموكم  
مبالغ سنوية قدرها ٢٠٠,٠٠٠ روبية لقاء  
حصة الحكومة في المستقبل. لقد تم  
امر هذا السلف عند الدفع الذي جرى في  
اليوم الاول من شهر اذار ١٩٤٤ غير انه  
الاتفاق حسب المذاكرة سموكم مع المسترجع  
بتاريخ ٢٦ اذار ١٩٤٤ على ان تجري سلف  
اخرى لسموكم على الاسس الاتية  
بيانها

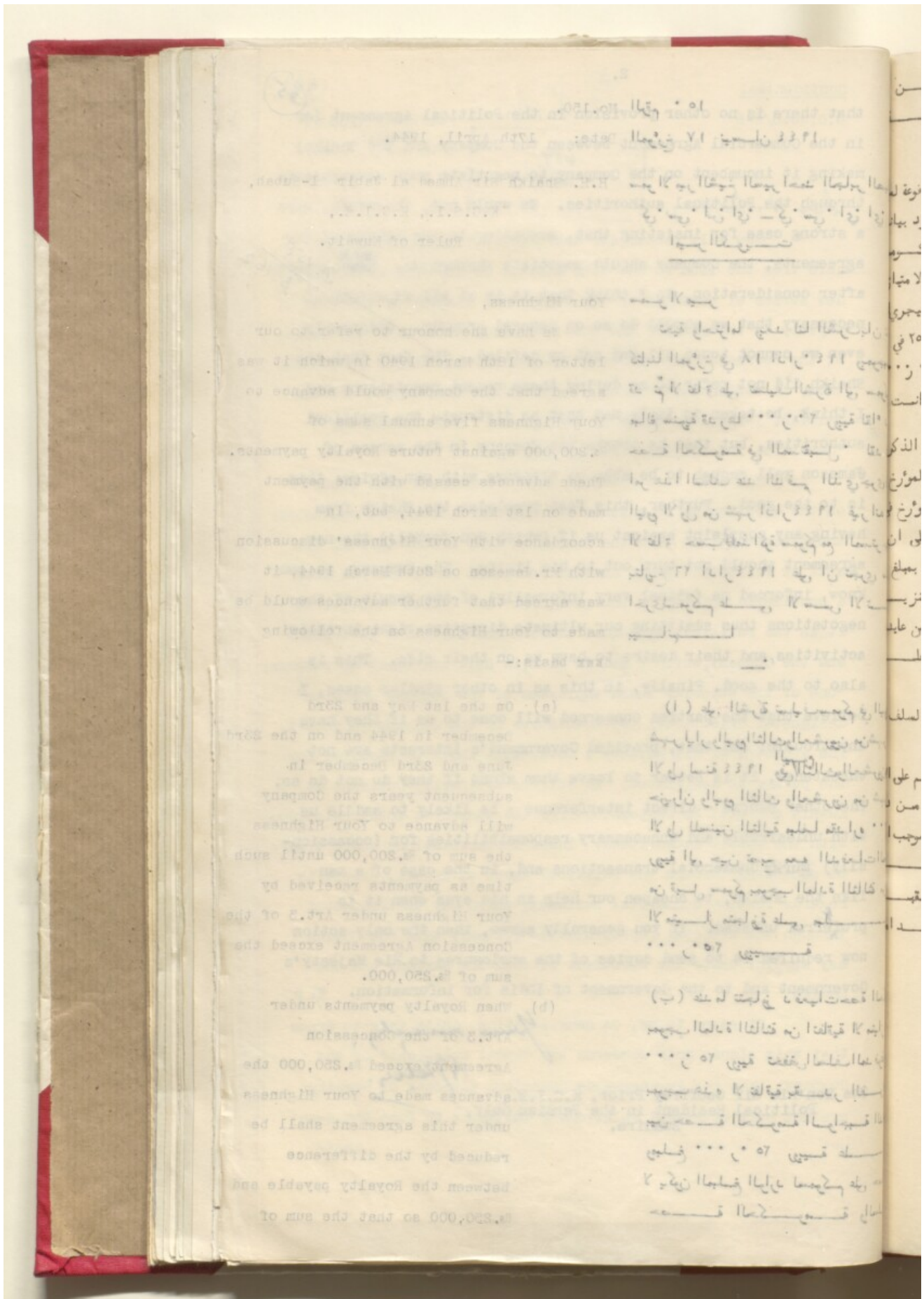
We have the honour to refer to our  
letter of 18th March 1940 in which it was  
agreed that the Company would advance to  
Your Highness five annual sums of  
Rs.200,000 against future Royalty payments.  
These advances ceased with the payment  
made on 1st March 1944, but, in  
accordance with Your Highness' discussion  
with Mr. Jameson on 26th March 1944, it  
was agreed that further advances would be  
made to Your Highness on the following  
basis:-

(١) على الشركة تسليم سموكم في اليوم  
شهر ايار واليوم الثالث والعشرين من شهر  
الاول لسنة ١٩٤٤ وفي الثالث والعشرين من  
حزيران واليوم الثالث والعشرين من شهر  
الاول للسنتين التالية مبالغ مقدارها ٢٠٠,٠٠٠  
روبية الى حين تصبح معه الدفعات المستحقة  
من قبل سموكم بموجب المادة الثالثة من  
الامتناع متجاوزة على مبالغ  
٢٥٠,٠٠٠ روبية

(a) On the 1st May and 23rd  
December in 1944 and on the 23rd  
June and 23rd December in  
subsequent years the Company  
will advance to Your Highness  
the sum of Rs.200,000 until such  
time as payments received by  
Your Highness under Art.3 of the  
Concession Agreement exceed the  
sum of Rs.250,000.

(ب) عندما تتجاوز دفعات حصة الحكومة  
بموجب المادة الثالثة من امتناع الامتياز على  
٢٥٠,٠٠٠ روبية تخفيض السلف المدفوعة  
بموجب هذه الاتفاقية بقدر الفرق  
بين حصة الحكومة الواجبة الدفع  
ومبلغ ٢٥٠,٠٠٠ روبية على  
لا يكون المبلغ الوارد لسموكم على حساب  
حصة الحكومة والسلف

(b) When Royalty payments under  
Art.3 of the Concession  
Agreement exceed Rs.250,000 the  
advances made to Your Highness  
under this agreement shall be  
reduced by the difference  
between the Royalty payable and  
Rs.250,000 so that the sum of







مما اتصل من  
٦٥٠٠٠ ر.س  
سنويا

(ج) لا تستوفي السلف المدفوعة له  
بموجب الفقرتين (ا) و (ب) الوارد بهما  
انفا لا بعد ان تبلغ حصة الحكومة  
بموجب المادة الثالثة من اتفاقية الامتياز  
من ١٠٠٠ ر.س وحينذاك سيجري  
بطريقة التفضيلات السنوية بقدر ٢٥ في  
من المبلغ الذي يزيد على ١٠٠٠ ر.س  
روبية الحصة الحكومة لاية سنة كانت  
(د) لا تأثرهما للاس من الانة المذكور  
الترتيب المتضمن بكتاب الشركة للمؤرخ  
ادار ١٩٤٠ وجواب سموكم المؤرخ  
ادار ١٩٤٠ حيث تم الاتفاق على ان  
تستوفي الخمسة سلف السنوية بمبلغ  
٢٠٠٠ ر.س بطريقتة الترتيب  
السنوية بقدر ٢٥ في المائة من عائد  
حصة الحكومة التي تتجاوز على  
٥٠٠٠ ر.س سنويا  
(هـ) لا يستوفي الفائض على السلف  
بها

هذا يصيرنا تسلم تأييد سموكم على  
المبينة اعلاه والتفويض باجراء التفضيلات من  
حصة الحكومة لدى استحقاقها وذلك بموجب  
المبينة انفا ونفصلو  
سموكم  
فائق الاحترام ولنا اشرف بان نكون خدام  
المطيعين  
العد يسر  
عن شركة النفط الكويتية المحدودة

86  
Your Highness' receipts by way of  
Royalty and advances shall together  
not be less than Rs.650,000 per annum.

(c) The advances made to Your Highness  
under (a) and (b) above shall not be  
recovered until Royalty under Art.3  
of the Concession Agreement exceeds  
Rs.1,000,000. Recovery shall then  
be by annual deductions of 25% of the  
amount by which Royalty exceeds  
Rs.1,000,000 in any year.

(d) Nothing in the above shall affect  
the arrangement made in the Company's  
letter of 18th March 1940 and Your  
Highness' reply of 19th March, 1940,  
wherein it was agreed that the  
five annual advances of Rs.200,000  
should be recovered by annual  
deductions of 25% from Royalty due  
in excess of Rs.500,000 per annum.  
(e) No interest shall be recoverable on  
these advances.

We shall be glad to receive Your  
Highness' confirmation of the above  
agreement and authorisation to make  
deductions from Royalty Payments when  
they become due in the manner indicated  
above.

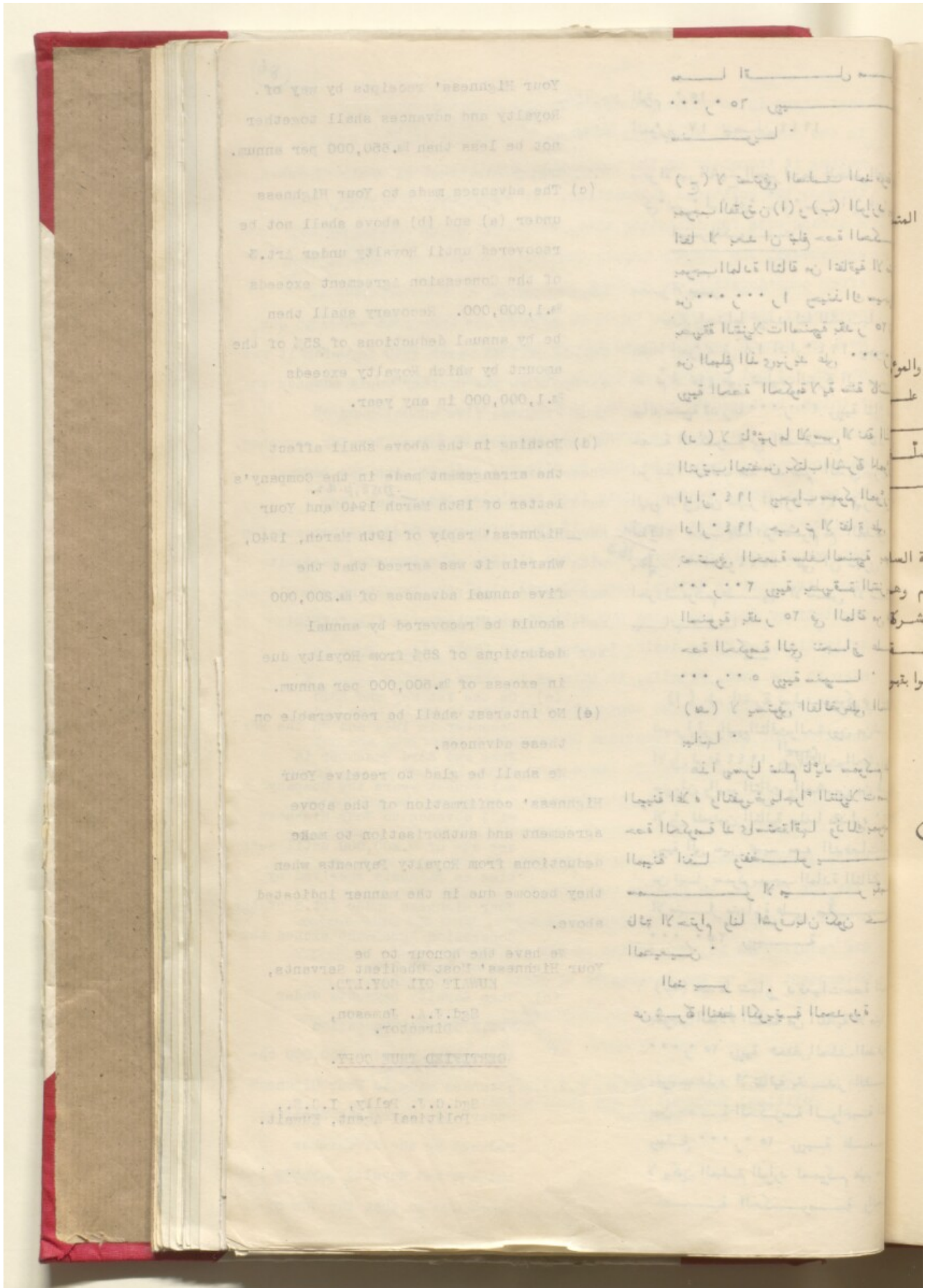
We have the honour to be  
Your Highness' Most Obedient Servants,  
KUWAIT OIL COY.LTD.

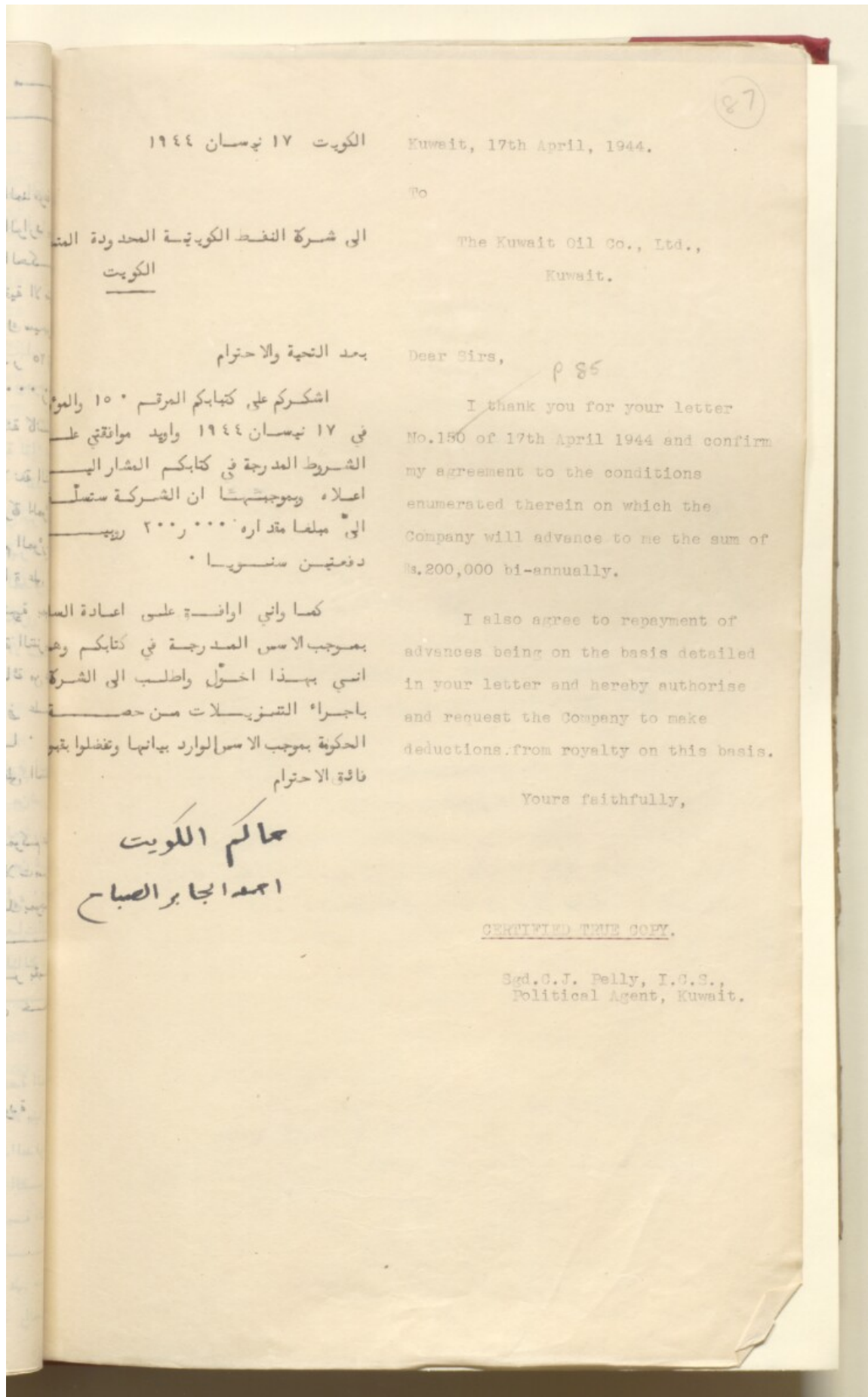
Sgd.J.A. Jameson,  
Director.

CERTIFIED TRUE COPY.

Sgd.C.J. Pelly, I.C.S.,  
Political Agent, Kuwait.







الكويت ١٧ نيسان ١٩٤٤

Kuwait, 17th April, 1944.

To

The Kuwait Oil Co., Ltd.,  
Kuwait.

الكويت

بعد التحية والاحترام

Dear Sirs,

p 85

I thank you for your letter No.150 of 17th April 1944 and confirm my agreement to the conditions enumerated therein on which the Company will advance to me the sum of Rs.200,000 bi-annually.

I also agree to repayment of advances being on the basis detailed in your letter and hereby authorise and request the Company to make deductions from royalty on this basis.

Yours faithfully,

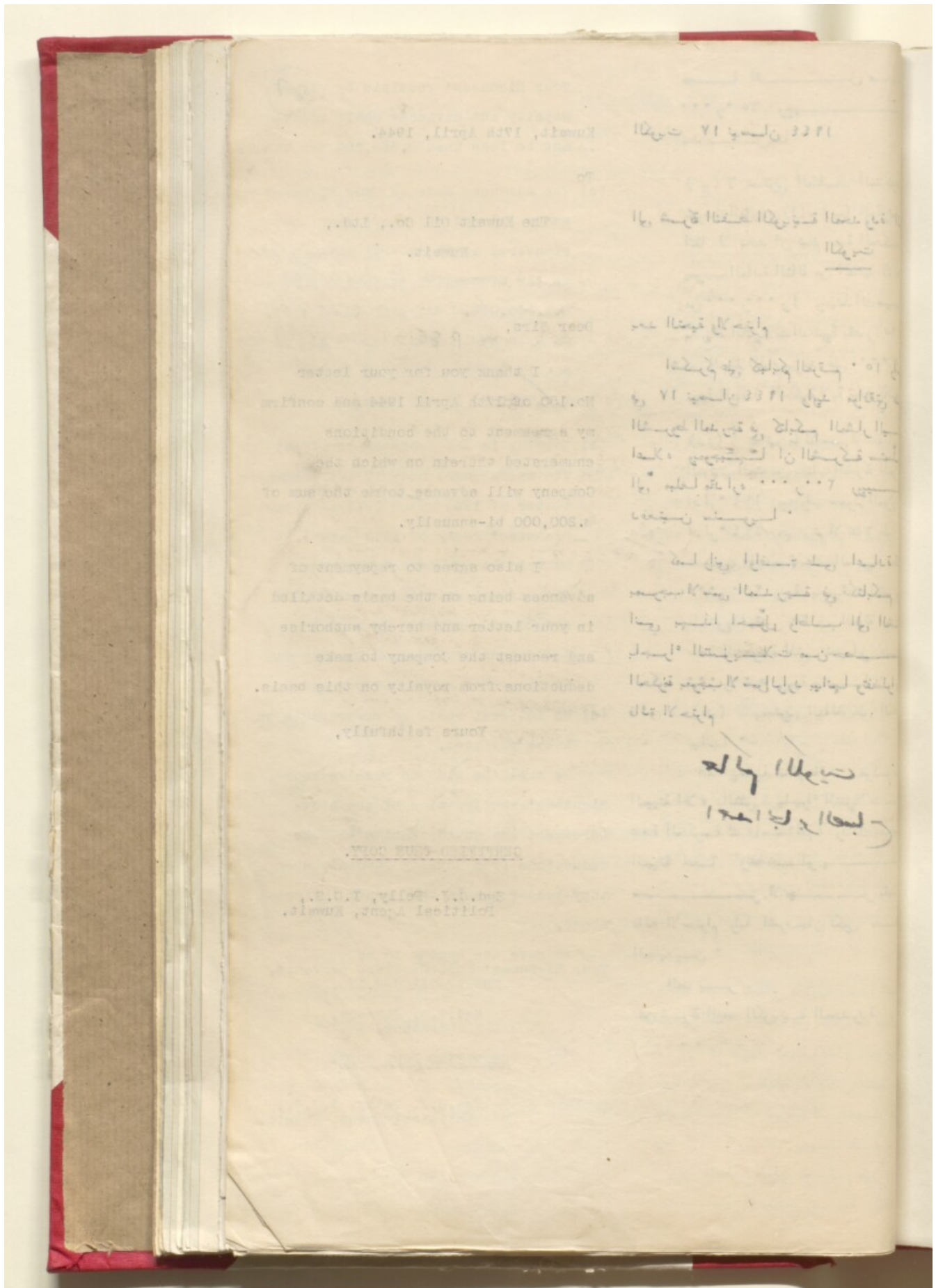
محكم الكويت

احمد الجابر الصباح

CERTIFIED TRUE COPY.

Sgd. G. J. Pelly, I.C.S.,  
Political Agent, Kuwait.









86/1  
CONFIDENTIAL.

D.O. No. 409-S.

86  
The Residency,

Bushire, the 12th May 1944.

56

3 55  
I enclose copies of Pelly's demi-official letter No. Q/295 dated 19th April 1944 and its enclosures, namely the Kuwait Oil Company letter No. 150 dated the 17th April 1944, and the Shaikh's reply of the same date. p 85 s 87

2. I had no intimation that Jameson was coming to Kuwait, and am not certain what provoked this fit of generosity. I asked Pelly to let me have his views as to whether the Company should not have conducted the negotiations through him. As far as I can make out in all the other oil concessions the actual haggling was done without our intervention, and the Shaikh certainly dealt direct with the Kuwait Oil Company last time though the telegrams went through the Political Agent as they could not use their cyphers.

3. I think we should certainly find ourselves in an awkward position if we took an active part in this bargaining, and I propose unless you see any reason to the contrary, to tell Pelly that I agree with his views.

I am sending copies of this letter to Caroe and Pelly.

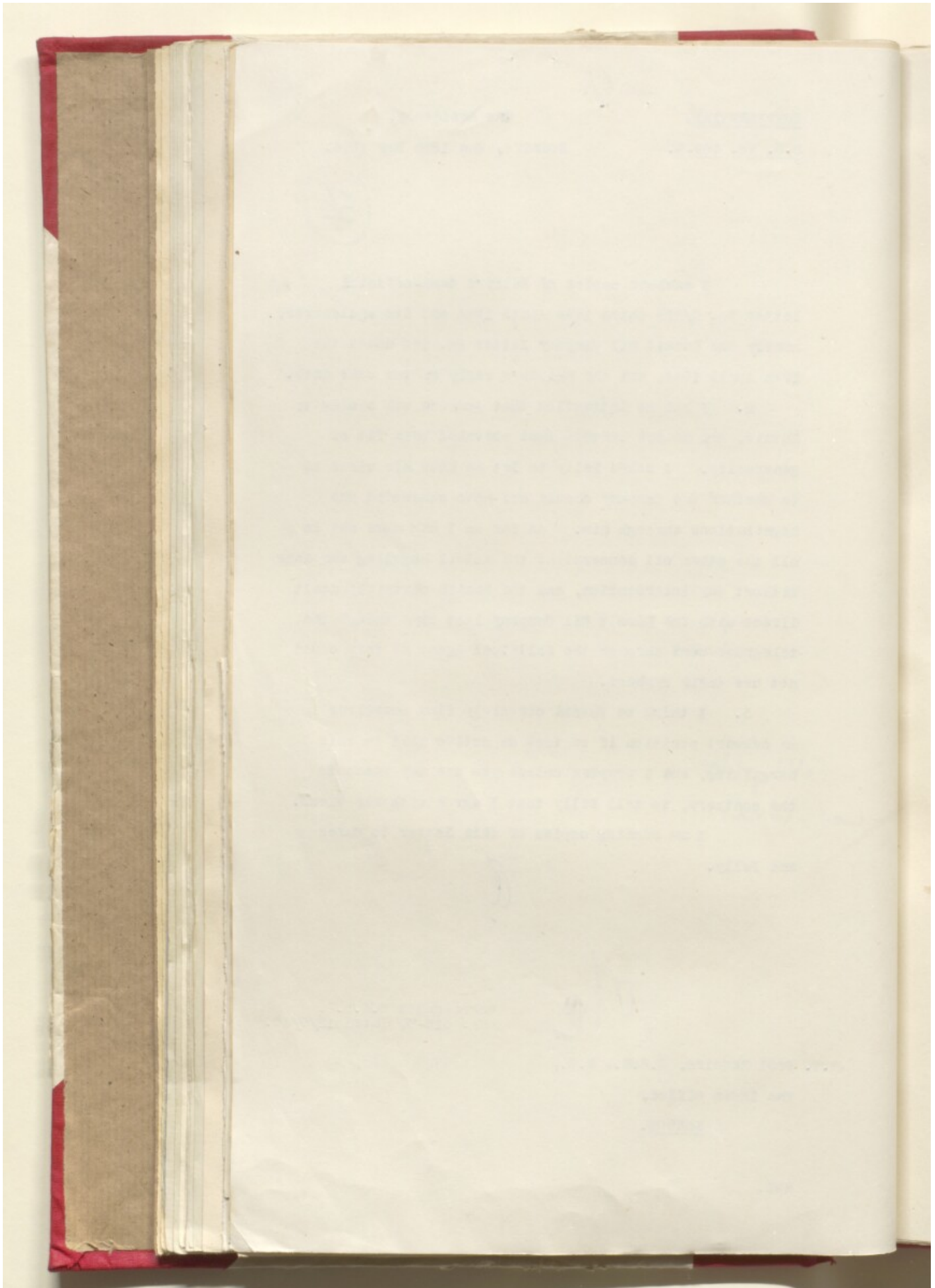
o/c  
@  
\*sent under D.O.P.I.  
No. 410-S, dated 12/5/44.

R.T. Peel Esquire, C.B.E., M.C.,

The India Office,

LONDON.

RHL.





86/1  
86/88.

59

Telegram 4.  
From Political Agent, Kuwait.  
To Political Resident, Bushire.  
No.391.

Dated 16th received 17th May 1944.

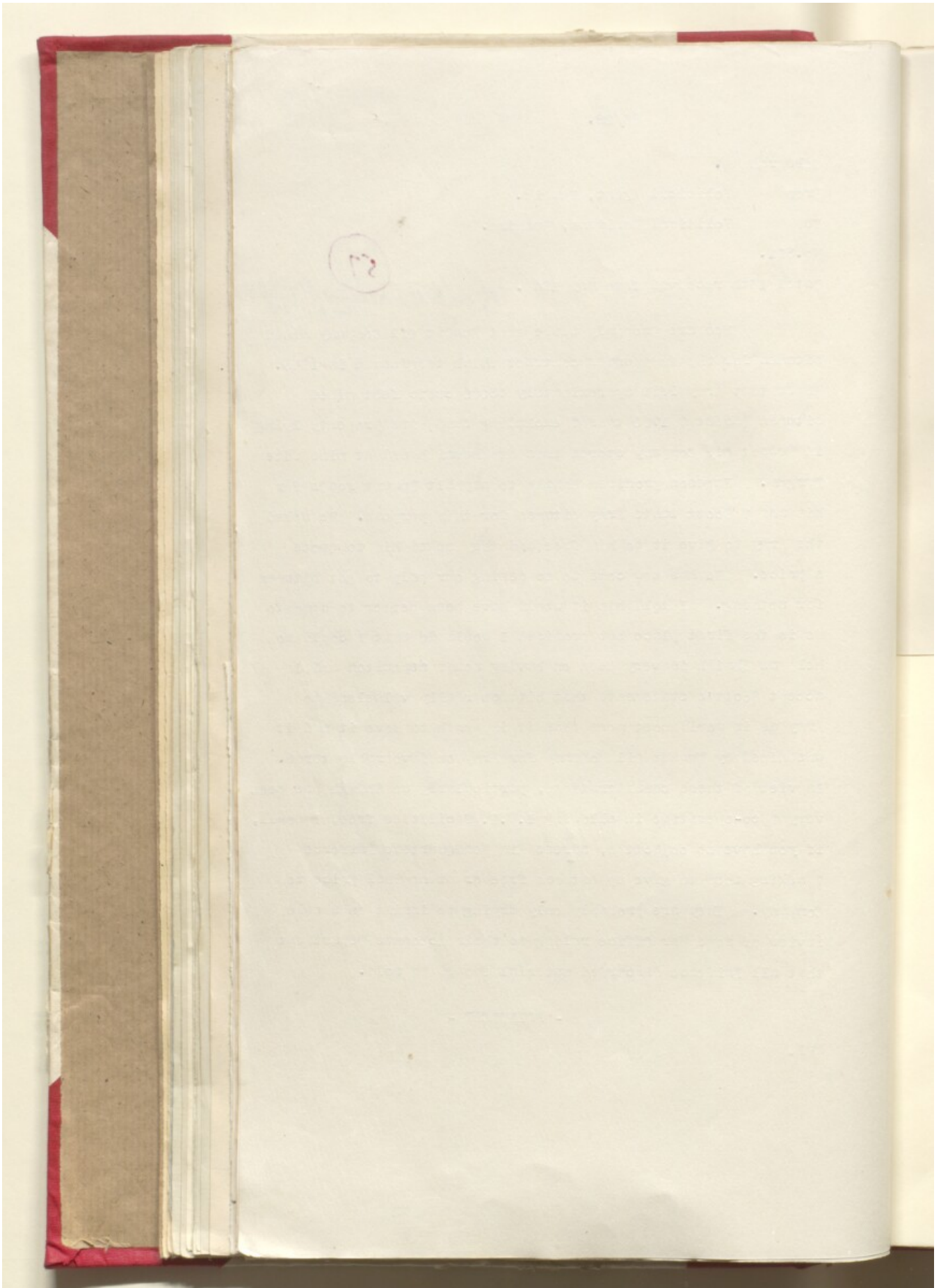
57  
H-12 5 11 + relevant para  
at p. 35

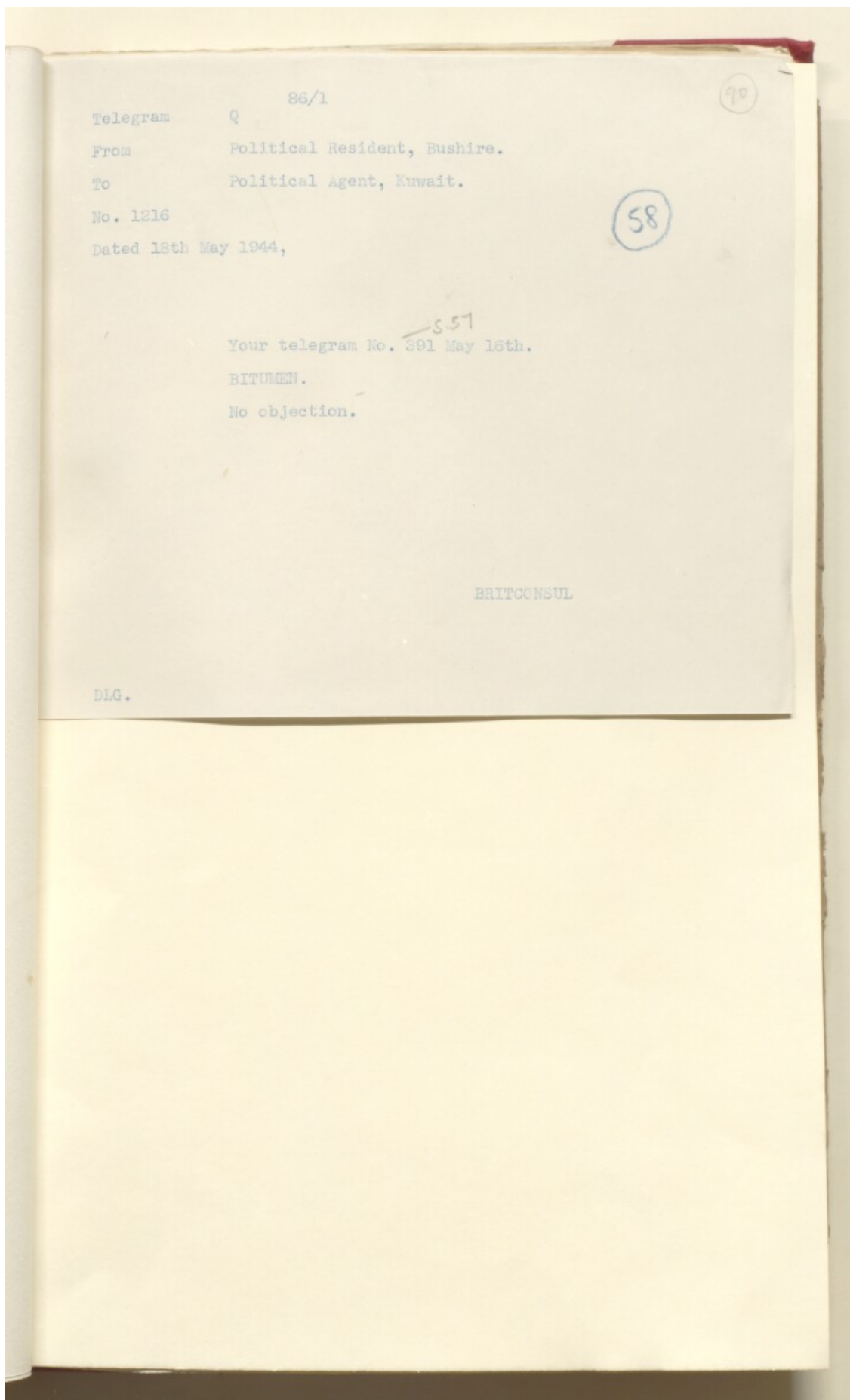
You are probably aware that Kuwait Oil Company mined bitumen for the Army under contract which terminated in 1943. After that Army left approximately 43000 cubic feet mined bitumen (about 1700 tons ? excluding sand) its property lying in Kuwait Oil Company stores area at Shuwaikh and at mine site Burgan. Jamason promised Shaikh to asphalt Kuwait roads for him and ? Scott wants Army bitumen for this purpose. He asked the Army to give it to him free and they asked him to quote a price. He has now come to me asking our help to get bitumen for nothing. I told him it would have been better to come to me in the first place but promised I would do what I could to help as Shaikh is very keen on having roads asphalted and I accept Scott's statements that bitumen really valueless to Army as it would cost more than it is worth to move it and it was mined by Kuwait Oil Company for Army on favourable terms. In view of these considerations, particularly as Shaikh has been very co-operative in allowing I.W.T. facilities free, I shall, if you have no objection, address Air Headquarters Paiforce asking them to give up bitumen free or at nominal price to Company. They are probably only trying to insist on a sale in view of some War Office ruling to their Accounts Department that all Paiforce discarded material should be sold.

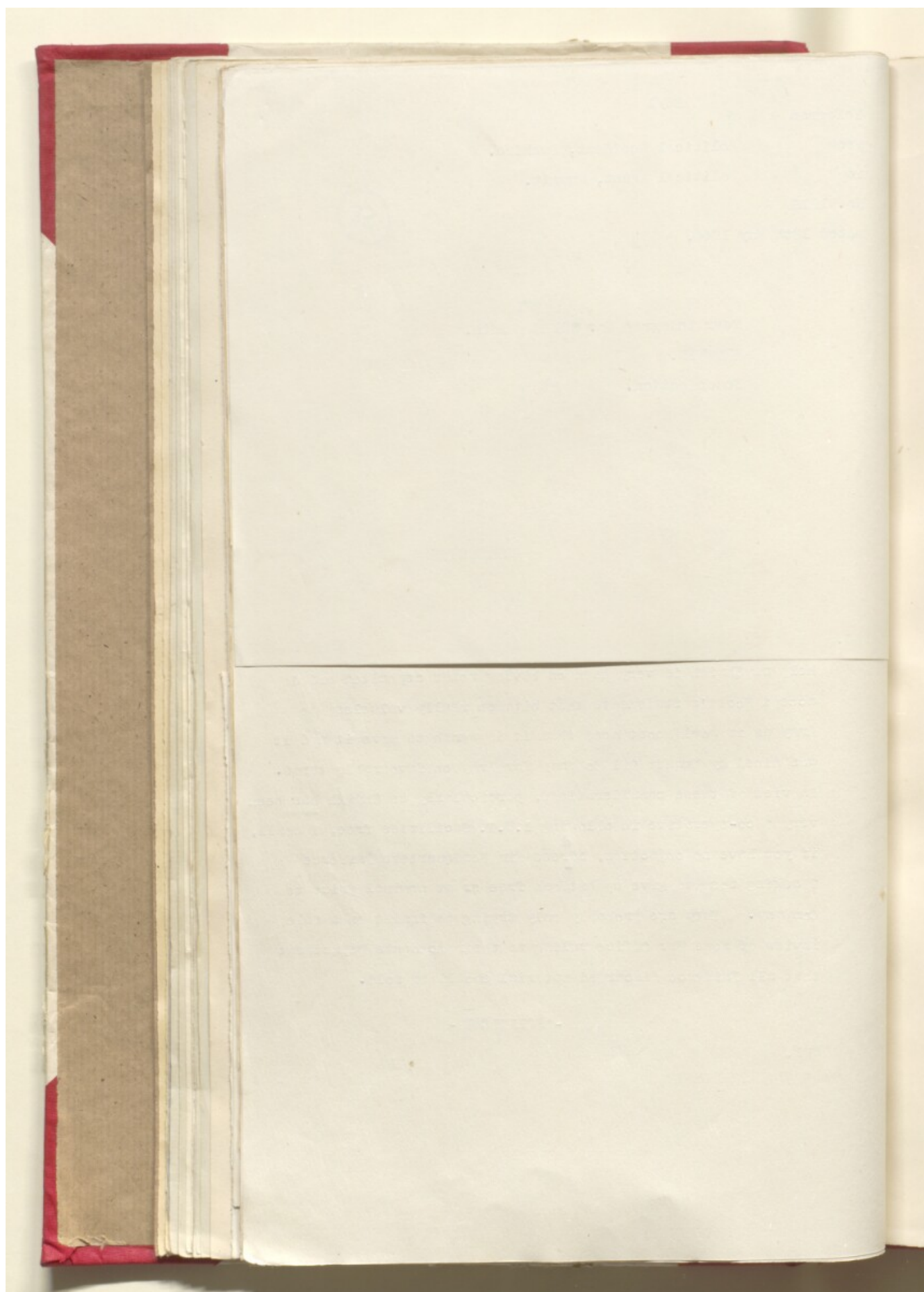
- POLITICAL -

BHI.













86/1

Telegram S(D)

From Secretary of State for India, London.

To Political Resident at Shiraz.

Repeated Government of India, New Delhi  
Political Agent, Kuwait.

S 36.

No. 15971 Dated 18th, Received 18th July 1944.

IMPORTANT My telegram No. 4662, February 25th.

Development both of oil field production and  
of refinery facilities at Kuwait is now under active con-  
sideration by H.M.'s and U.S.A. Governments.

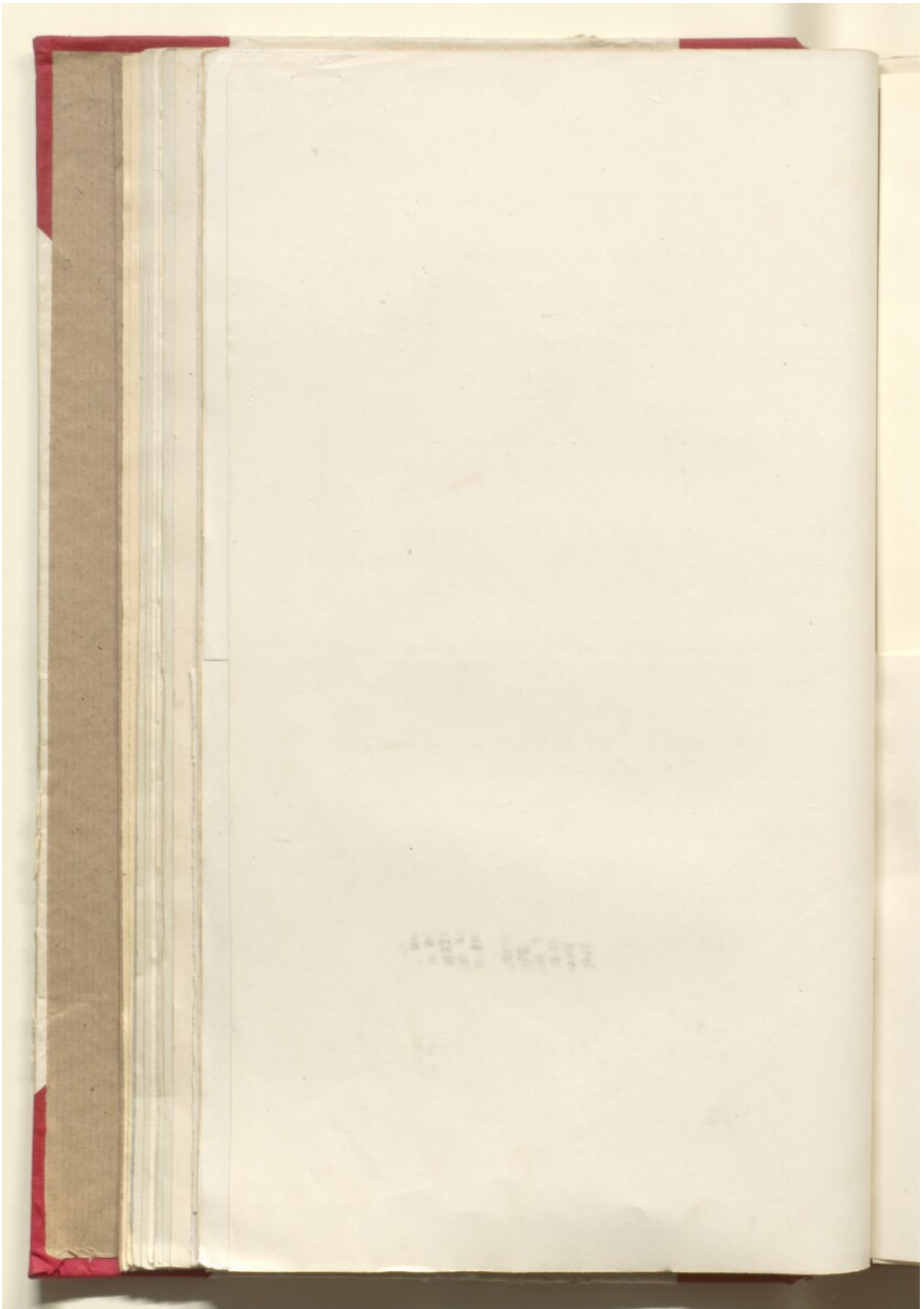
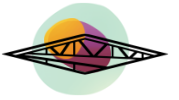
While it is not as yet by any means certain  
that Kuwait project will be selected for immediate devel-  
opment it is proposed that a joint mission of Anglo-  
Iranian and Gulf Company representatives should visit  
Kuwait shortly to discuss technical details.

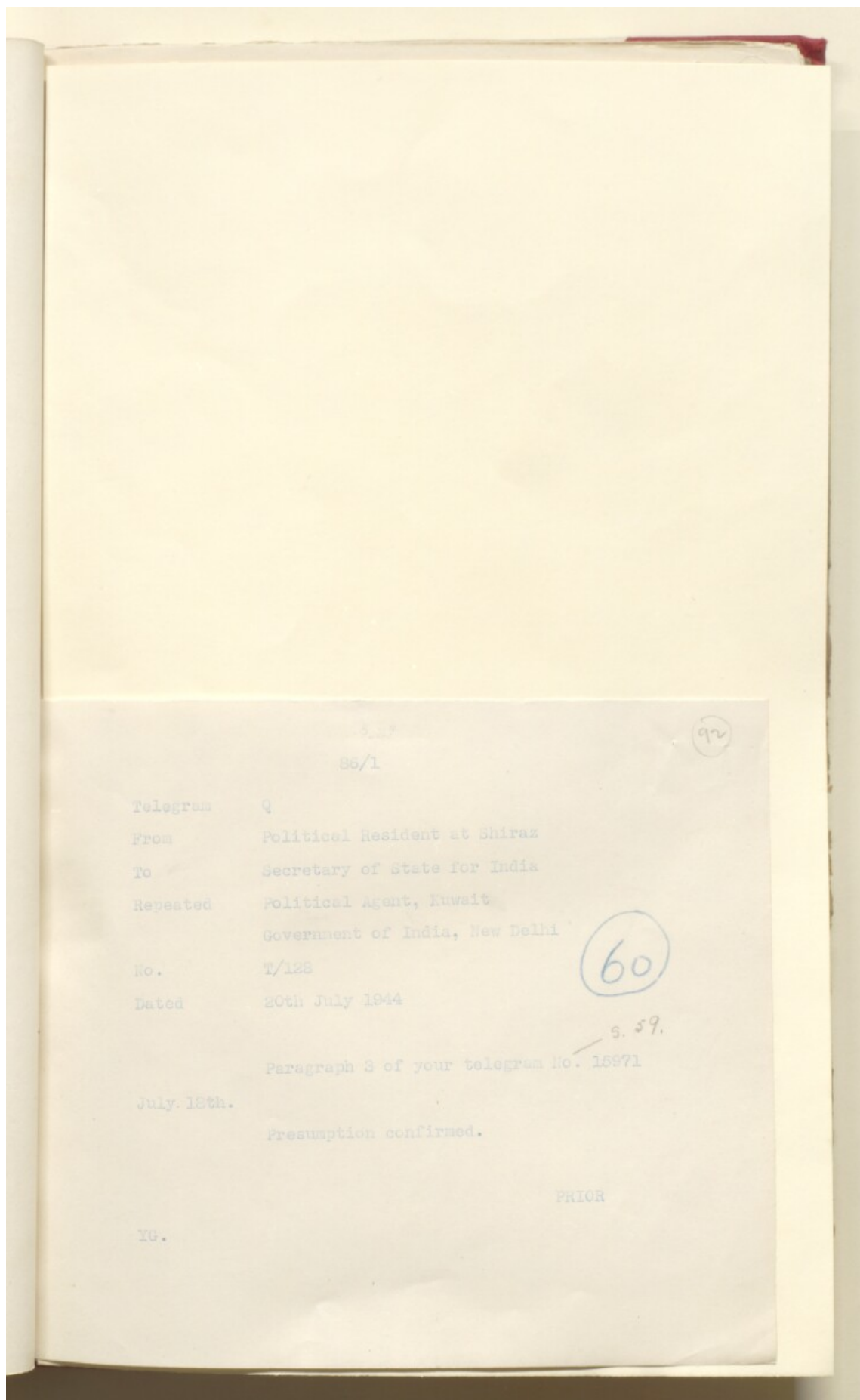
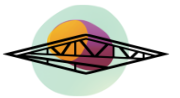
2. You will no doubt consider it desirable that  
Shaikh should now be informed of circumstances with  
appropriate reserve. It might be indicated that it  
is the hope of all concerned that development will not  
be much longer delayed but Shaikh should not be given  
impression that active operations will begin at once.

3. Presume you will see no objection to visas  
for Kuwait being granted to non-British members of  
mission referred to in paragraph No. 1 without  
individual reference to you.

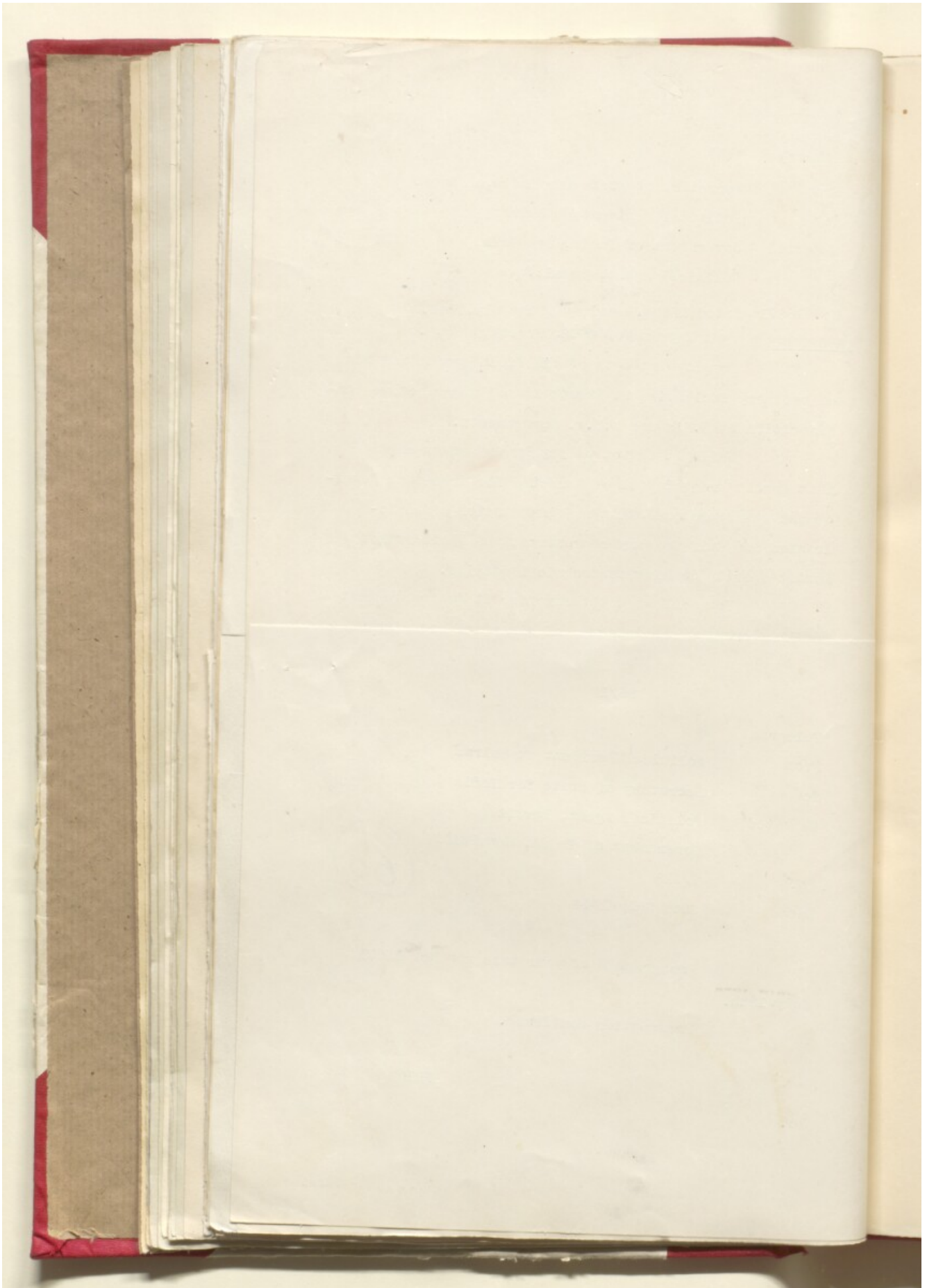
REMARKS.

YG.











86/1.

Telegram S(D).  
From Political Resident at Shiraz.  
To Political Agent, Kuwait.  
Repeated Secretary of State for India, London.  
Government of India, New Delhi.

No. T/132.

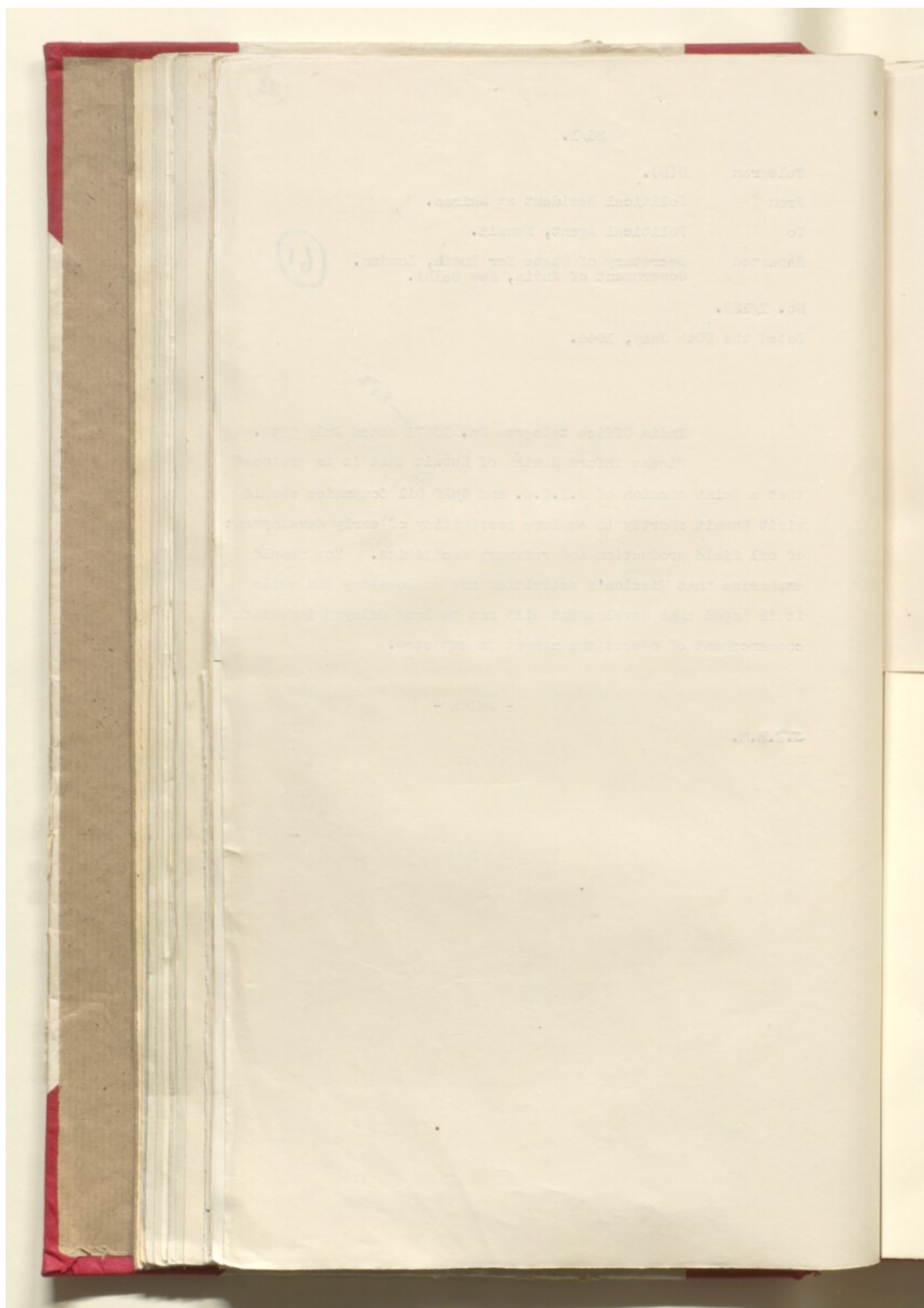
Dated the 20th July, 1944.

India Office telegram No. 15971 dated July 18th.

Please inform Shaikh of Kuwait that it is proposed that a joint mission of A.I.O.C. and Gulf Oil Companies should visit Kuwait shortly to explore possibility of early development of oil field production and refinery facilities. You should emphasise that Mission's activities are exploratory and while it is hoped that development will not be long delayed immediate commencement of operations cannot be expected.

- PRIOR -

J.R.B.M.







86/1

94

Telegram S(D)  
From Political Agent, Kuwait.  
To Political Resident at Shiraz.  
No. 553

62

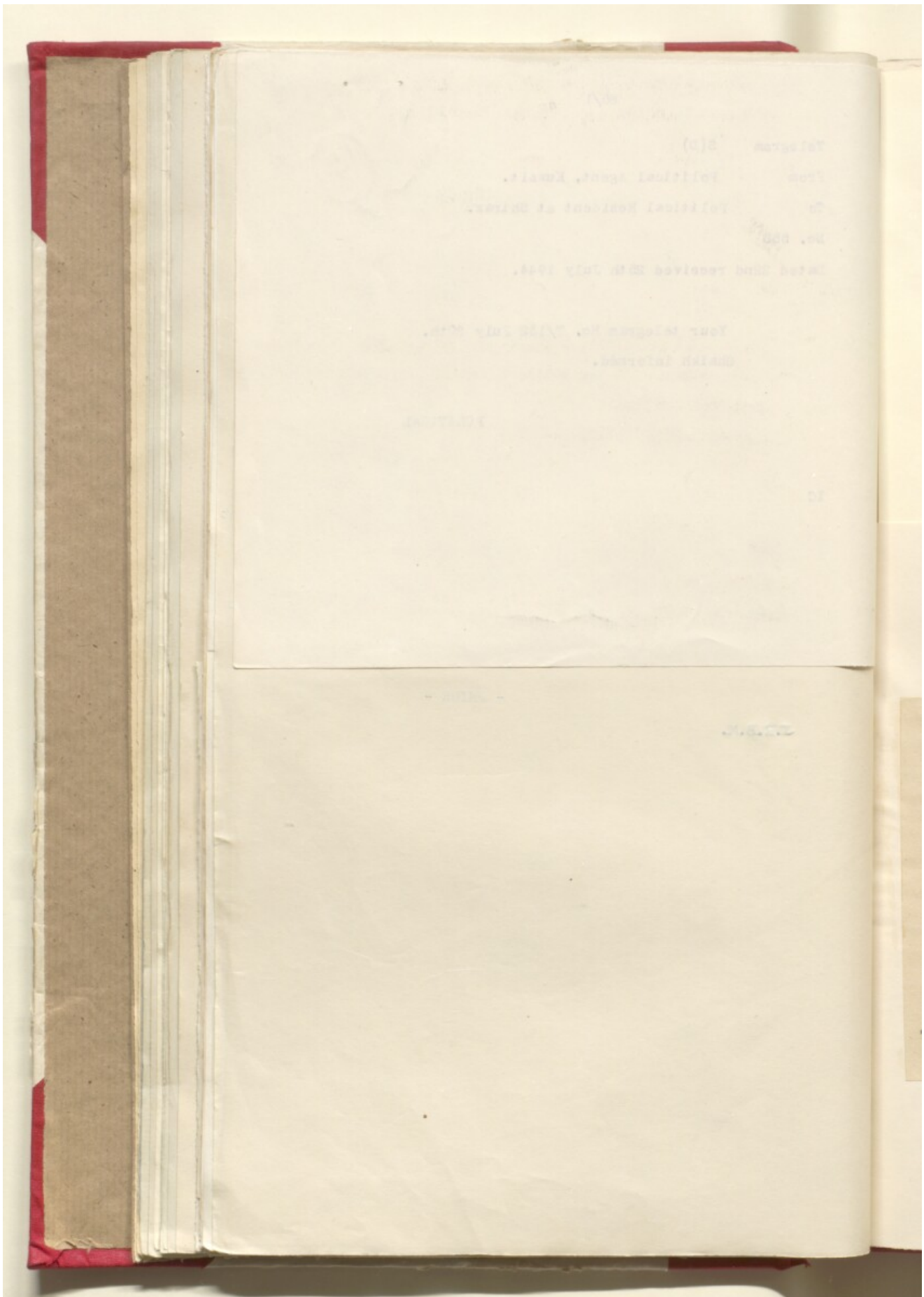
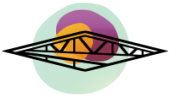
Dated 22nd received 25th July 1944.

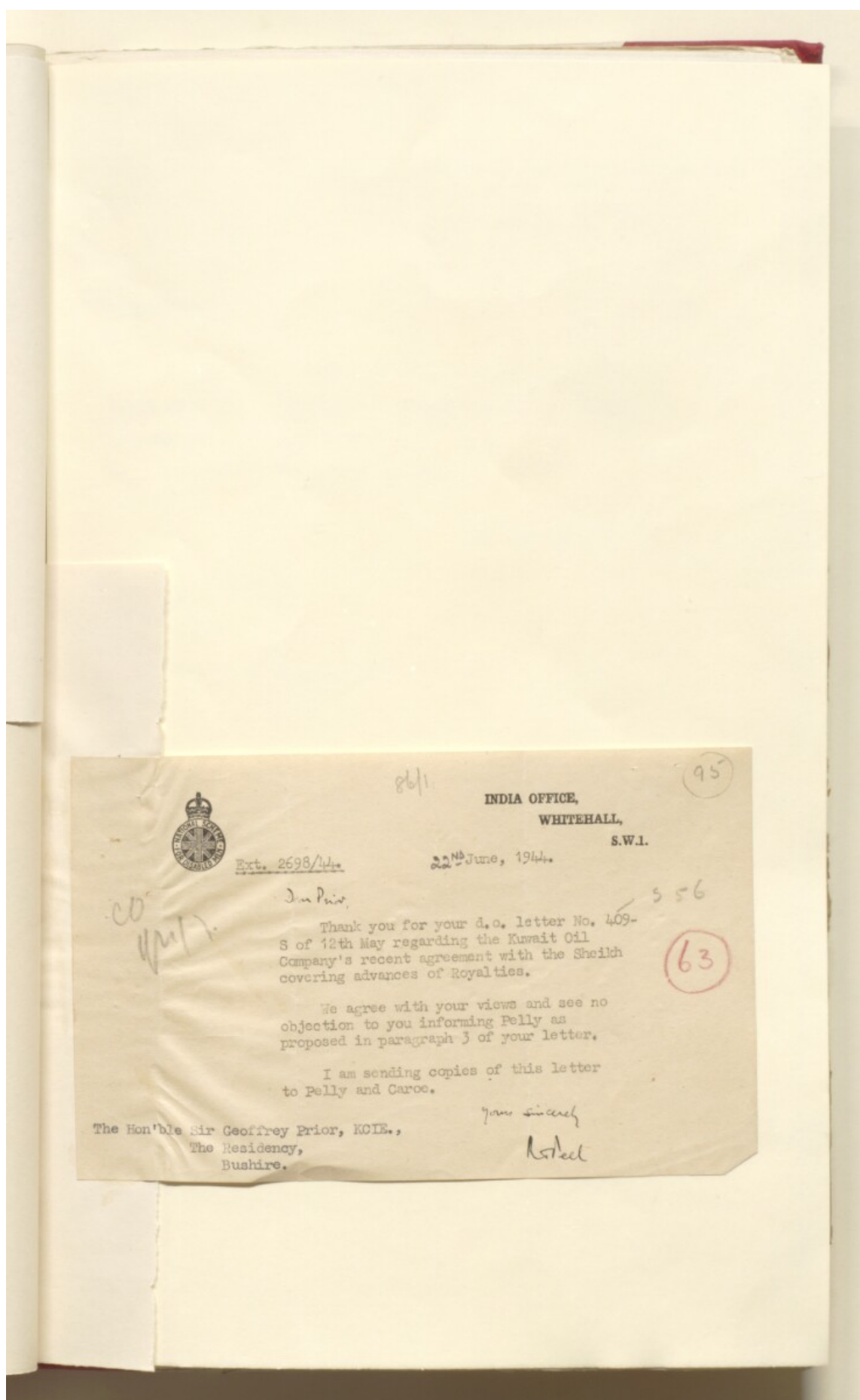
5 61

Your telegram No. T/132 July 20th.  
Shaikh informed.

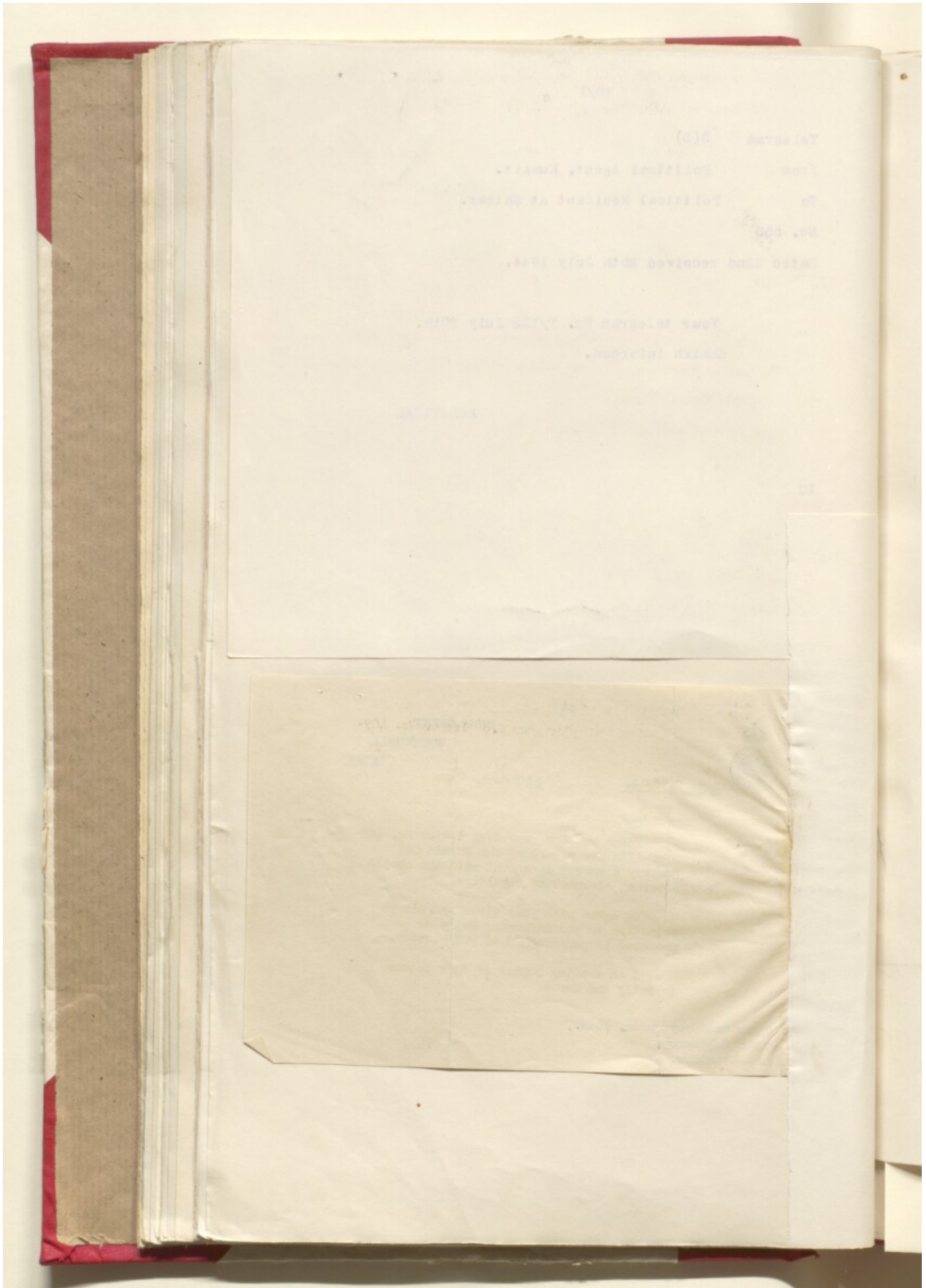
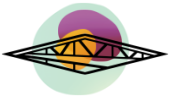
POLITICAL

IC











86/1

96

CONFIDENTIAL

C/107

Office of the Political Resident,  
in the Persian Gulf,  
Camp Shiraz,  
8th August, 1944.

To The Political Agent, Kuwait.

MEMORANDUM

64

Reference India Office letter No. Ext. 2698/44,  
dated 22.6.44. Financial negotiations between Kuwait Oil  
Company and Sheikh of Kuwait.

S. 63.

2. Please act accordingly.

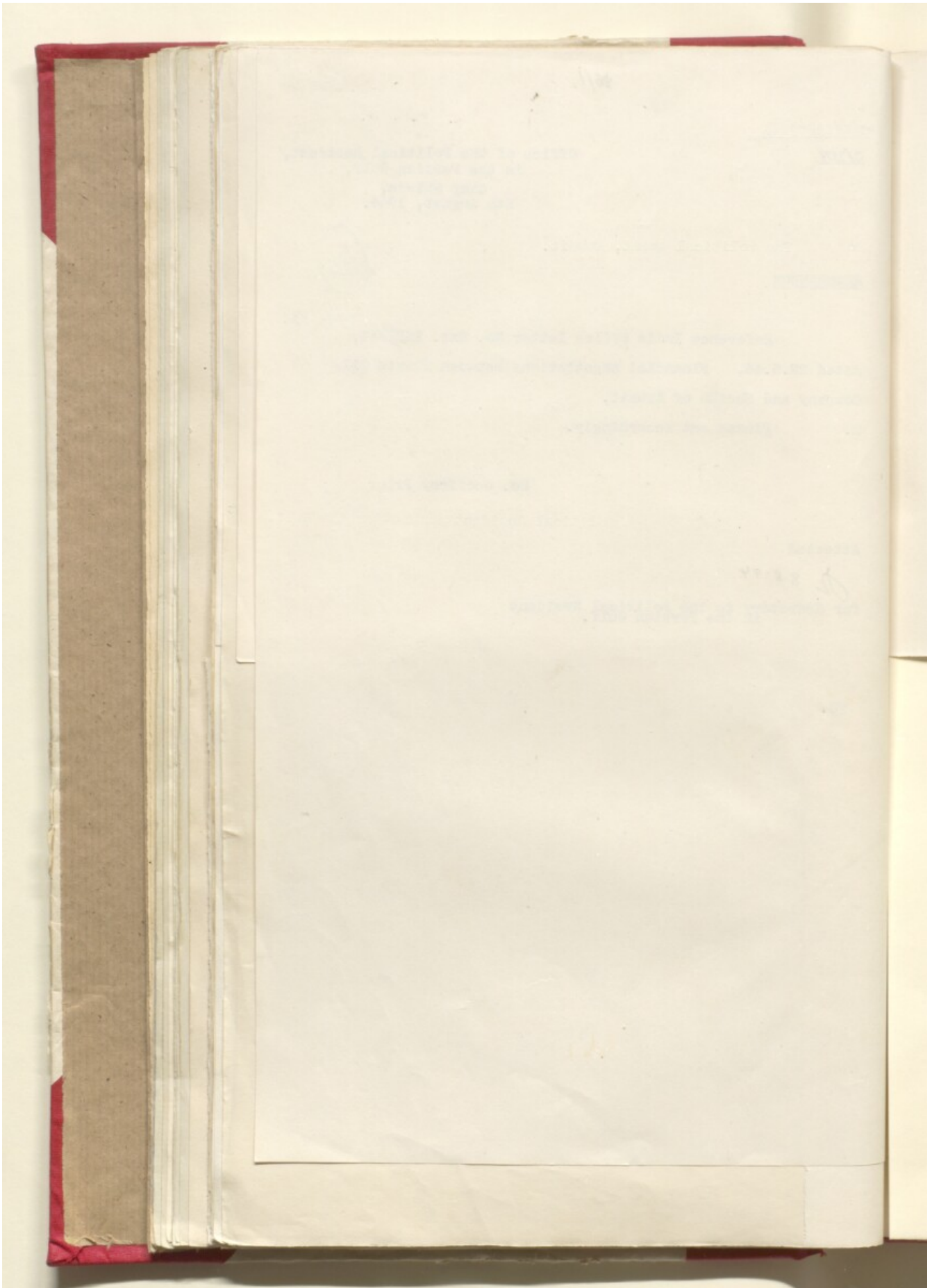
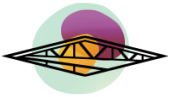
Sd. Geoffrey Prior

Political Resident in the Persian Gulf.

Attested

*J* 8.8.44  
for Secretary to the Political Resident  
in the Persian Gulf.

YG.







86/1.  
Telegram. S(D).  
From. Political Resident at Shiraz.  
To. S/S for India, London \*  
Repeated Government of India, New Delhi  
Political Agent, Kuwait. \*

No. T/227

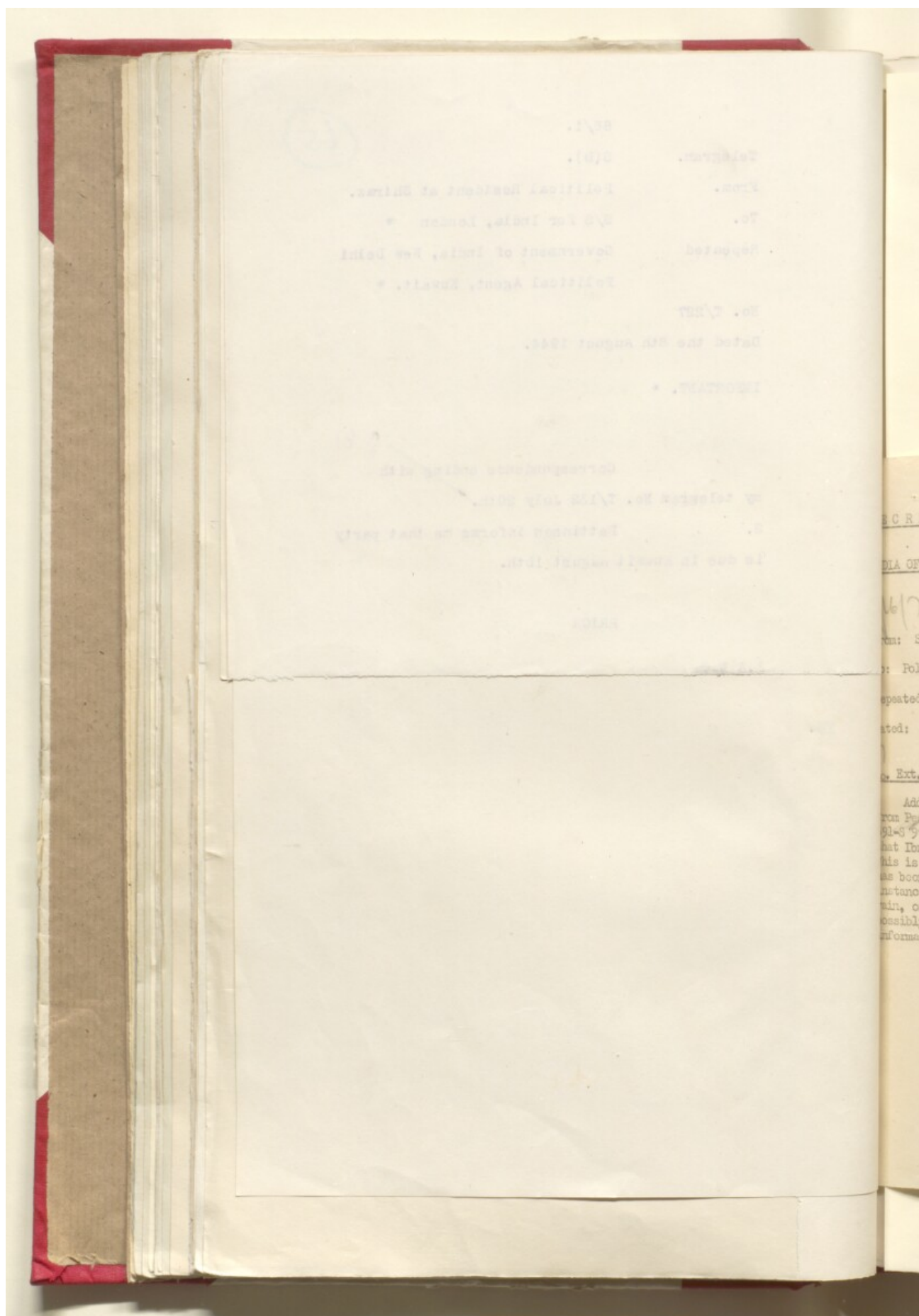
Dated the 8th August 1944.

IMPORTANT. \*

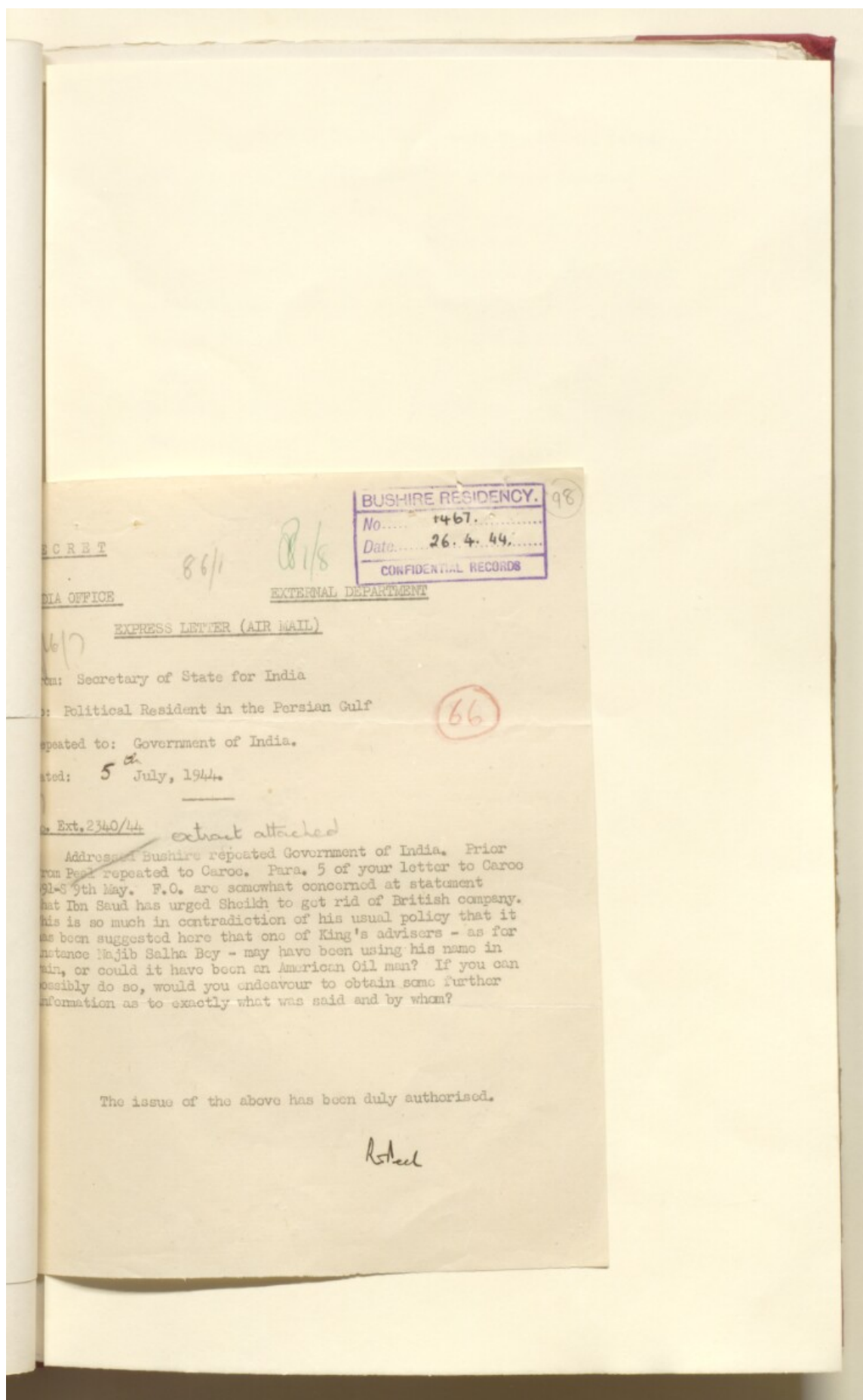
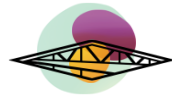
Correspondence ending with  
my telegram No. T/132 July 20th.  
2. Pattinson informs me that party  
is due in Kuwait August 15th.

PRIOR

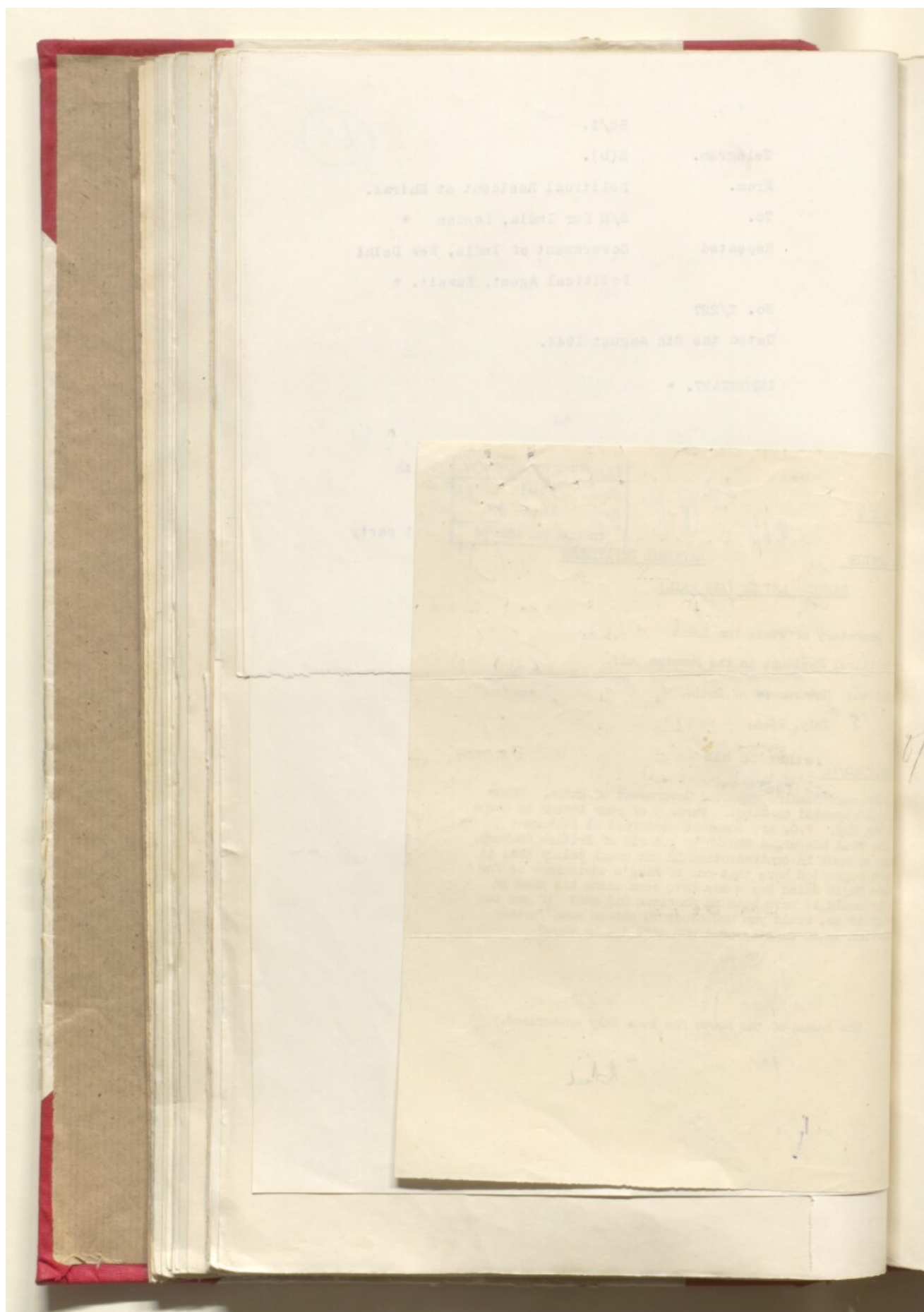
J.A.N.C.



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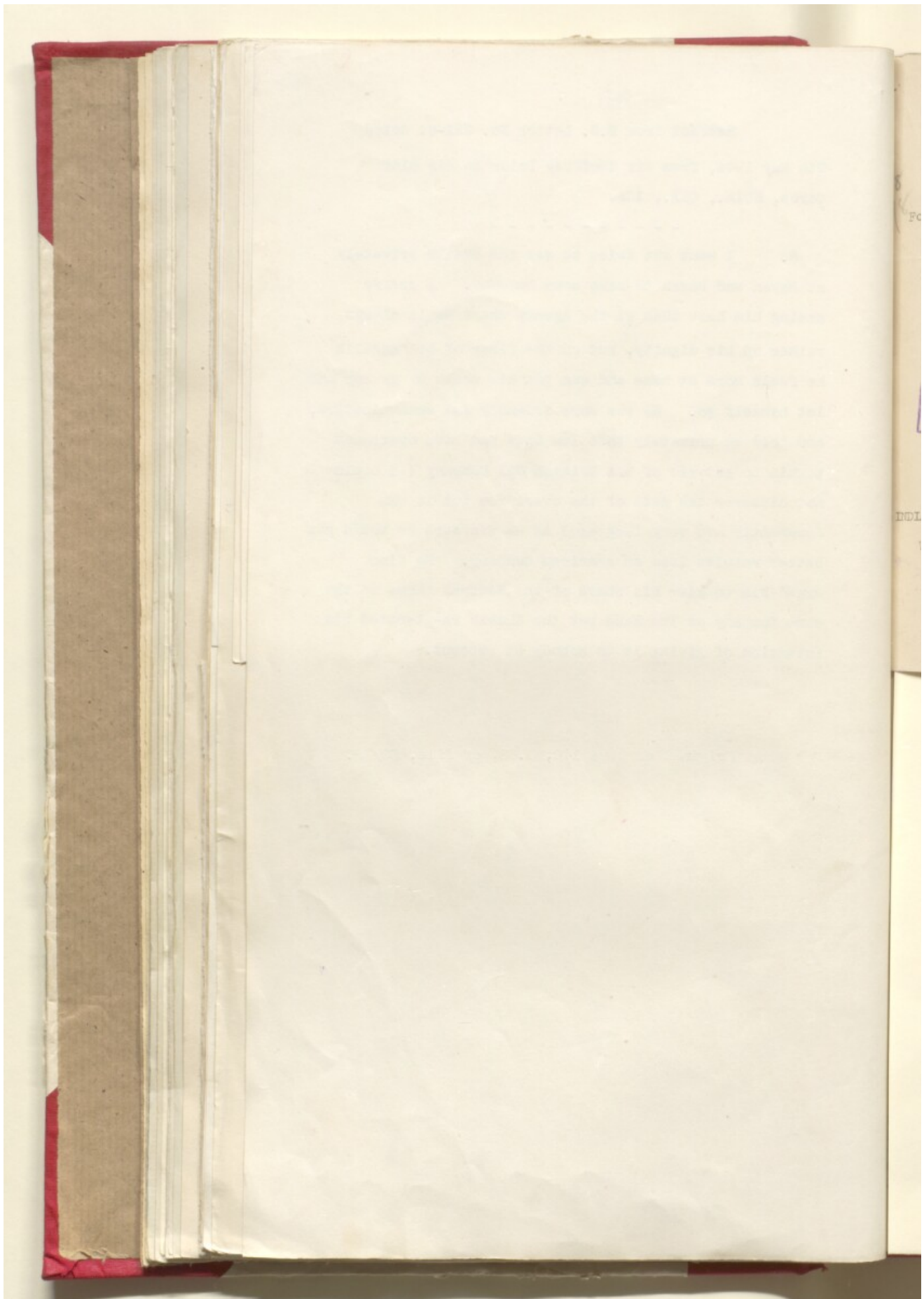


86/1 49  
Extract from D.O. Letter No. 391-S. dated  
9th May 1944, from Sir Geoffrey Prior to Sir Olaf  
Caroe, KCIE., CSI., ICS.

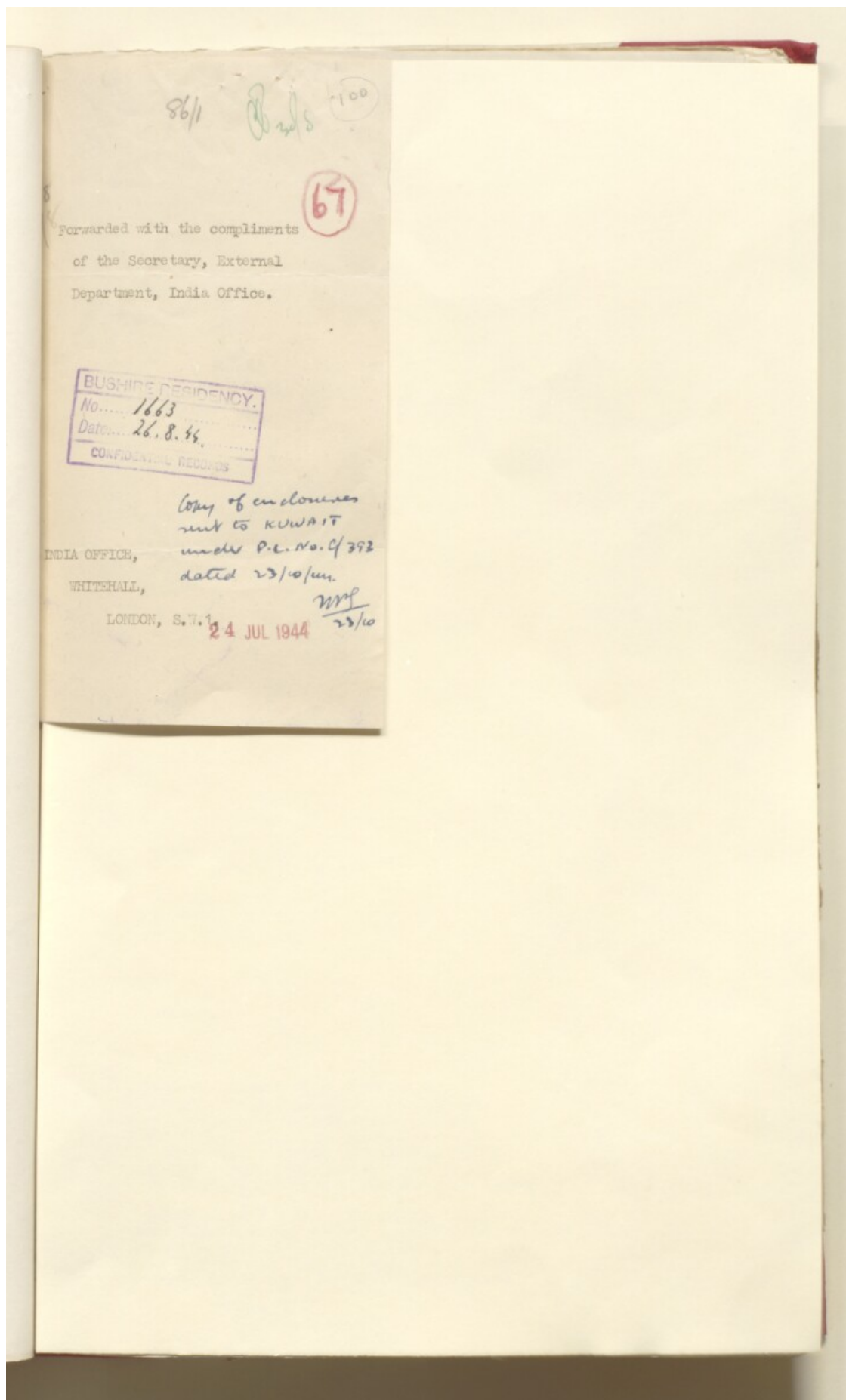
-----  
5. I went out twice to see the Shaikh privately  
at Bayan and began to make some headway. I prefer  
seeing him here than at the Agency where he is always  
rather on his dignity, but on the floor of his majalis  
he feels more at home and can put his mouth to my ear and  
let himself go. He was more friendly and communicative,  
and told me privately that Ibn Saud had made overtures  
to him to get rid of his British Oil Company ( I could  
not discover the date of the overtures but it was  
apparently not very long ago) as he was sure he would get  
better results from an American Company. He also  
urged him to give his share of the Neutral Zone to the  
same Company as Ibn Saud but the Shaikh re-iterated his  
intention of giving it to nobody at present.

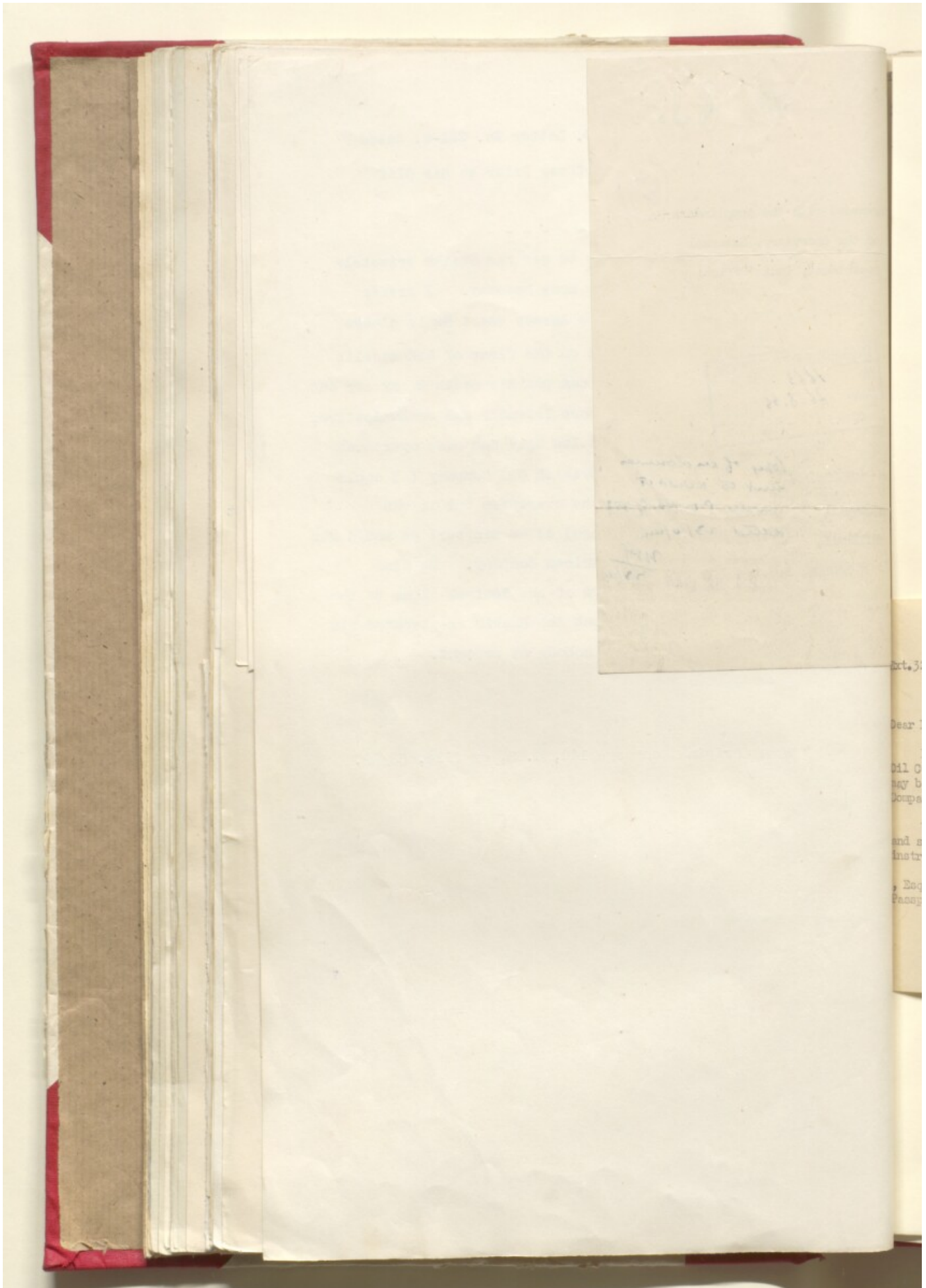
Original on page 140, 8.68, of file, 53/32.

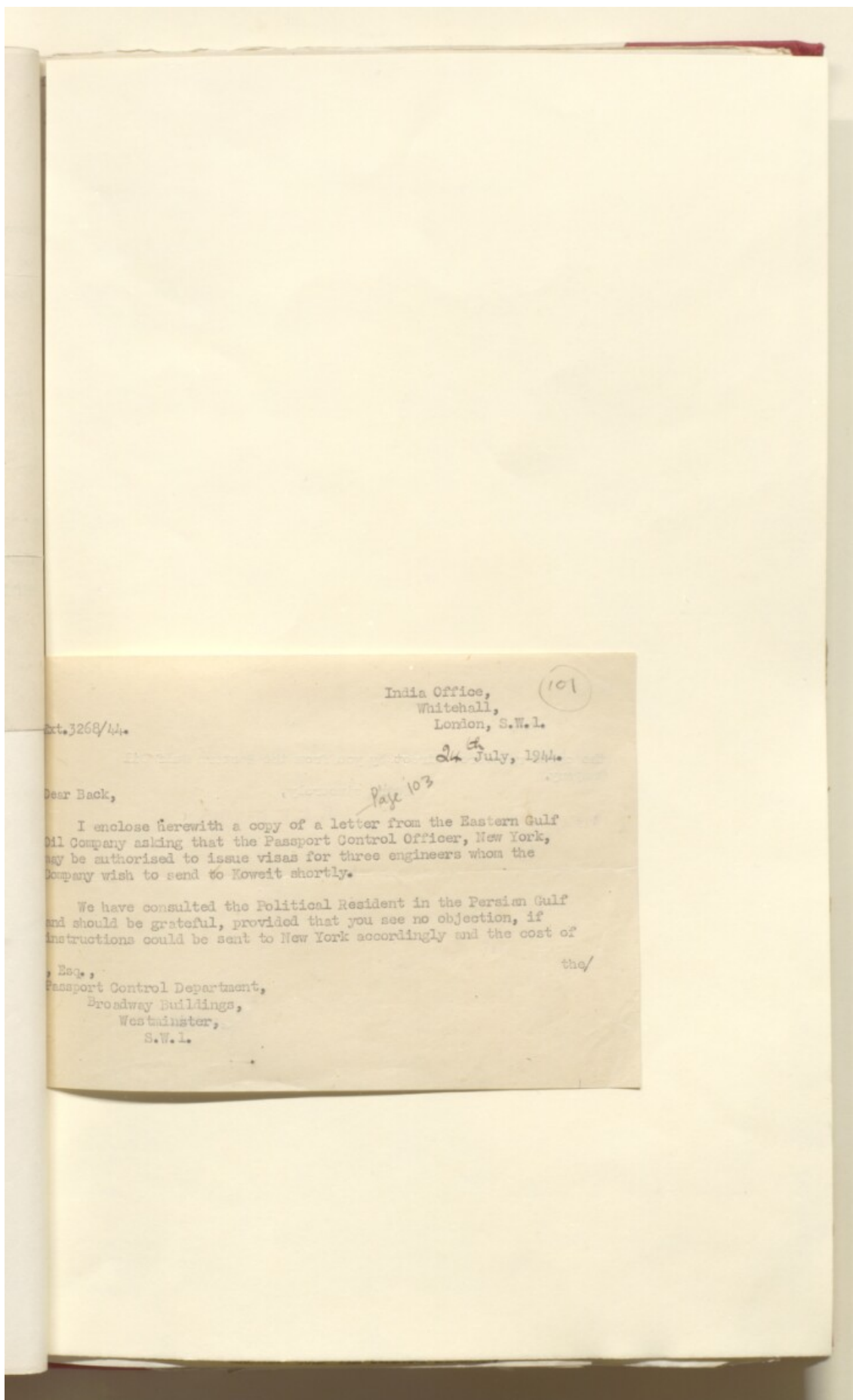
YU.



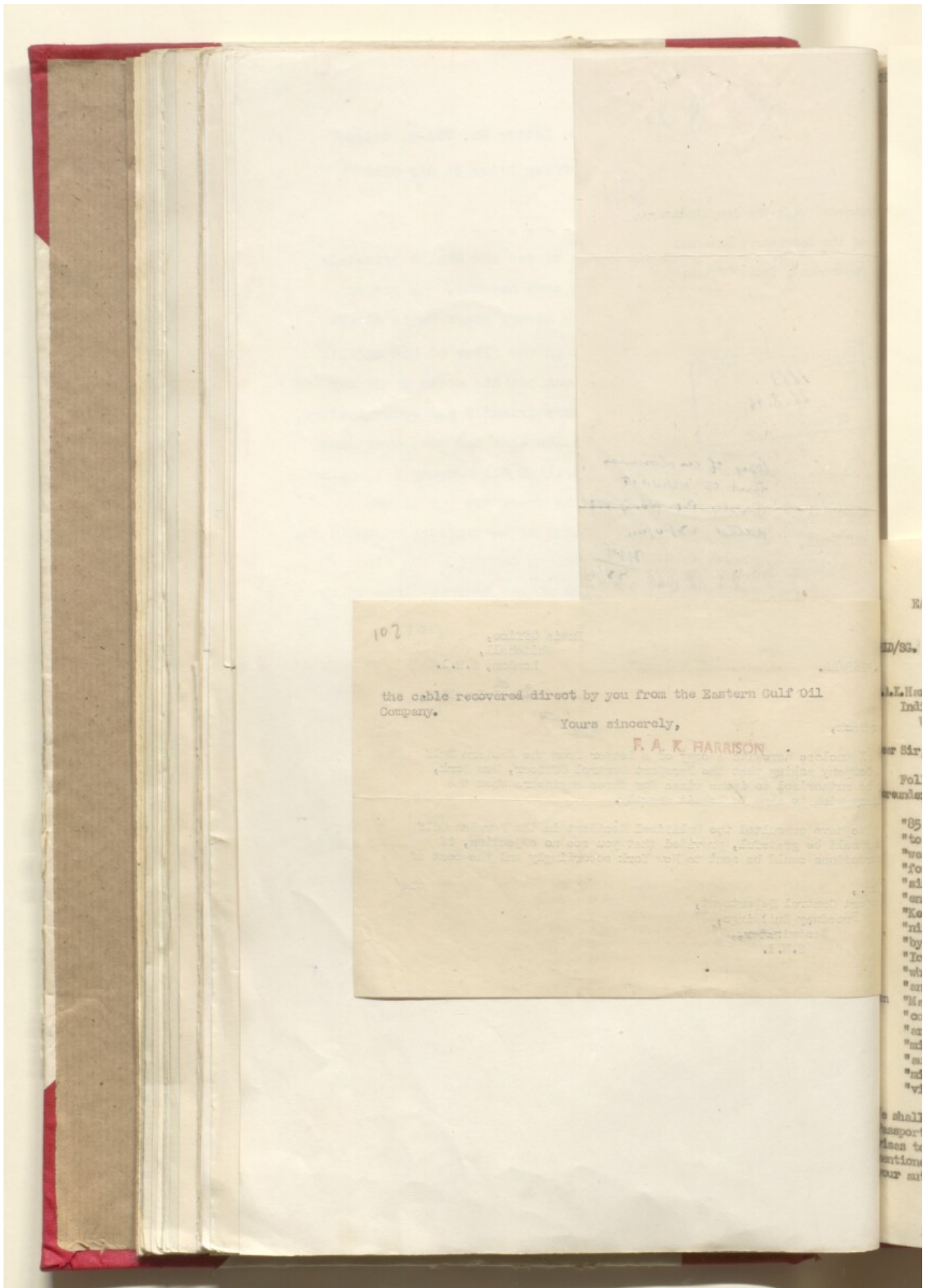


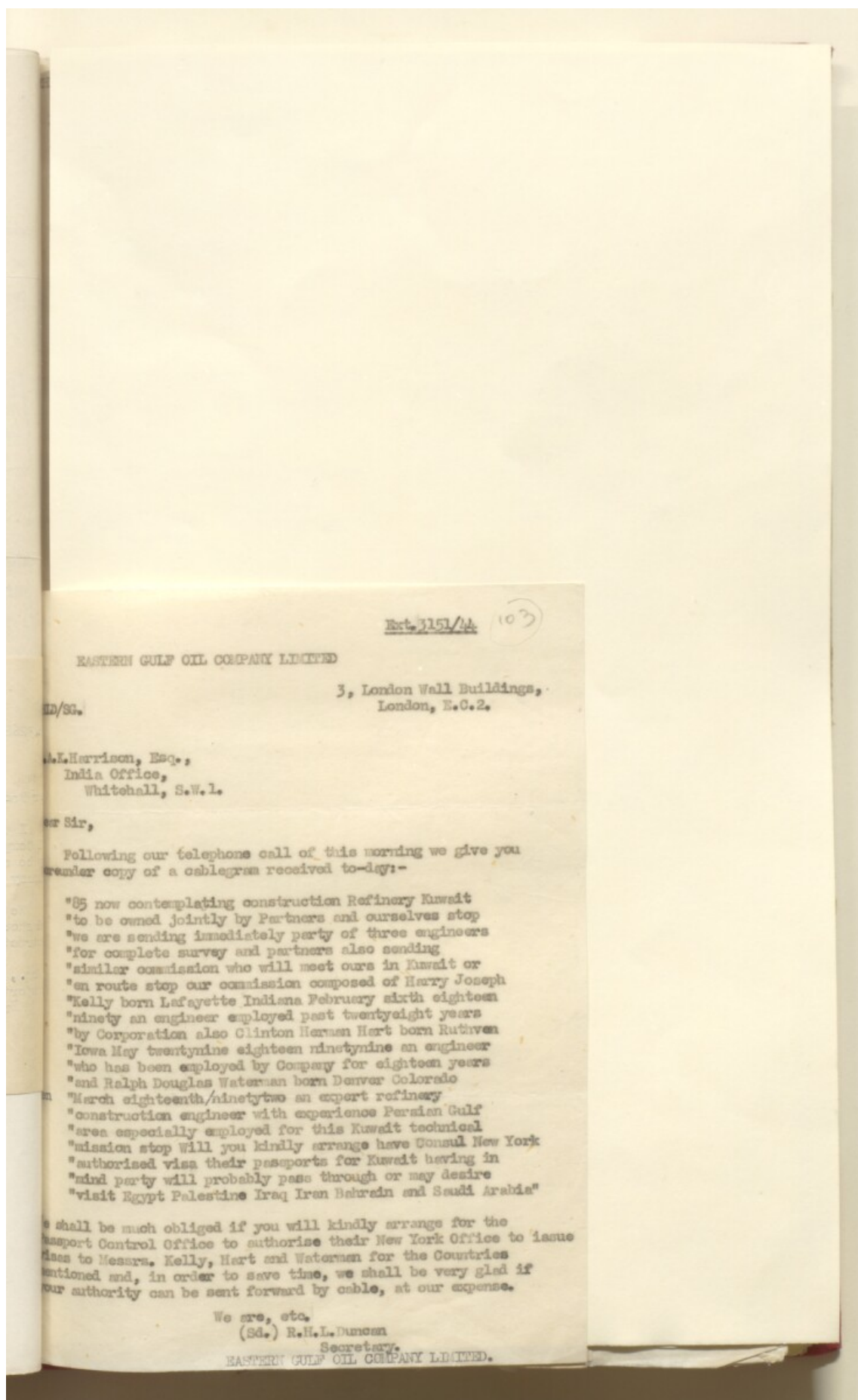












Ext. 3151/24

103

EASTERN GULF OIL COMPANY LIMITED

3, London Wall Buildings,  
London, E.C.2.

Mr. L. Harrison, Esq.,

India Office,  
Whitehall, S.W.1.

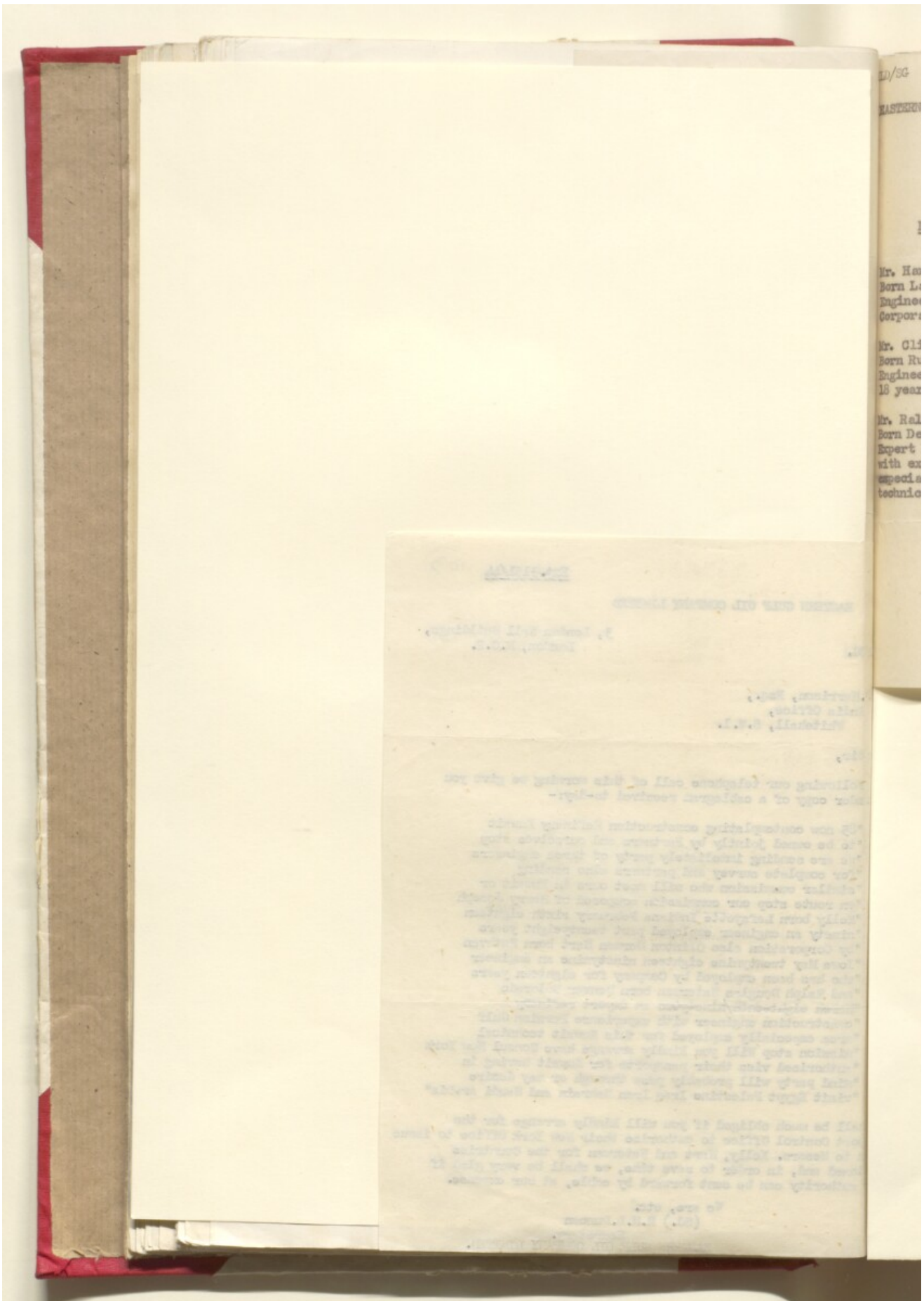
Dear Sir,

Following our telephone call of this morning we give you  
enclosed copy of a cablegram received to-day:-

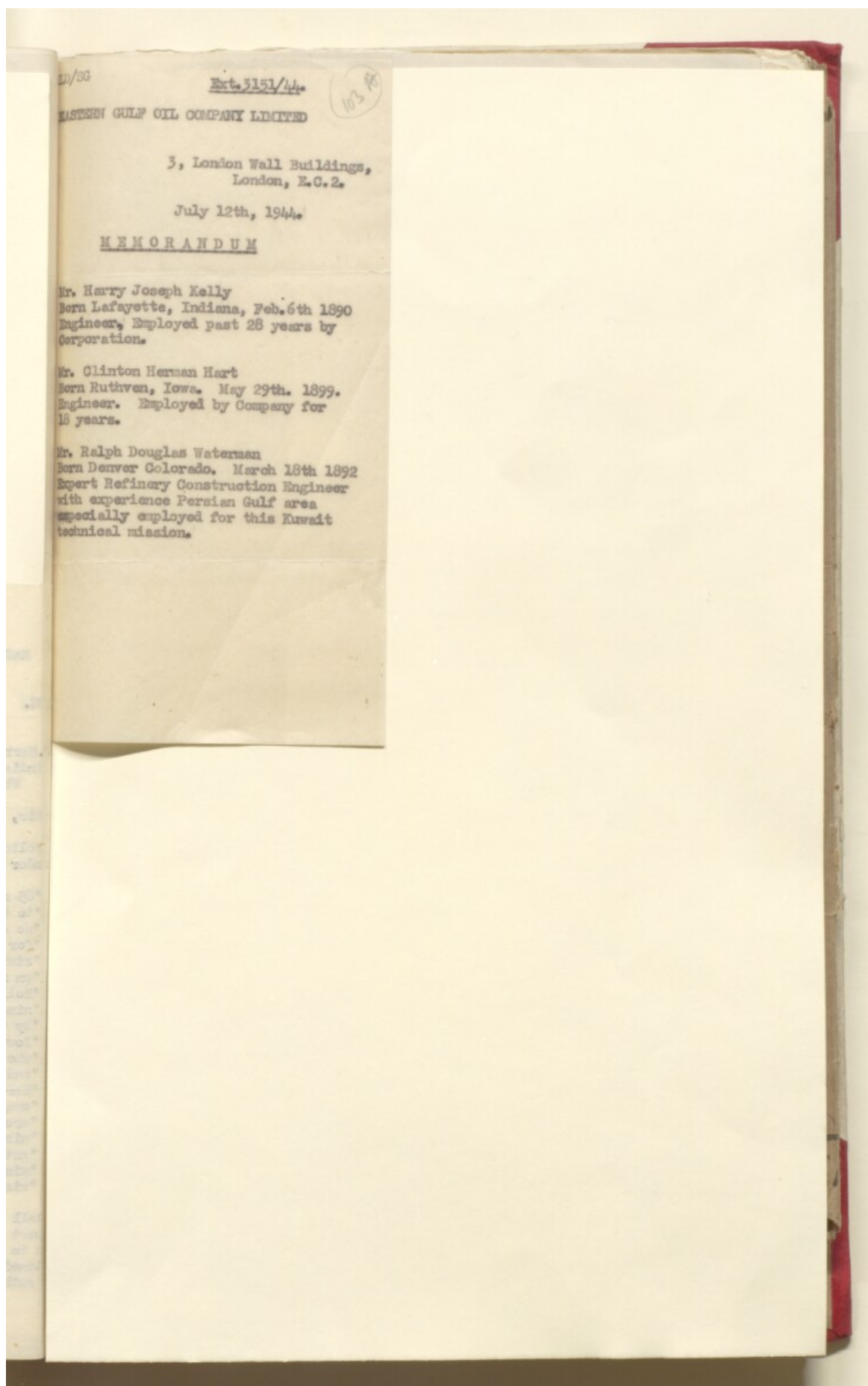
"85 now contemplating construction Refinery Kuwait  
"to be owned jointly by Partners and ourselves stop  
"we are sending immediately party of three engineers  
"for complete survey and partners also sending  
"similar commission who will meet ours in Kuwait or  
"en route stop our commission composed of Harry Joseph  
"Kelly born Lafayette Indiana February sixth eighteen  
"ninety an engineer employed past twentyeight years  
"by Corporation also Clinton Herman Hart born Ruthven  
"Iowa May twentynine eighteen nintynine an engineer  
"who has been employed by Company for eighteen years  
"and Ralph Douglas Waterman born Denver Colorado  
"March eighteenth/ninetytwo an expert refinery  
"construction engineer with experience Persian Gulf  
"area especially employed for this Kuwait technical  
"mission stop Will you kindly arrange have Consul New York  
"authorised visa their passports for Kuwait having in  
"mind party will probably pass through or may desire  
"visit Egypt Palestine Iraq Iran Bahrain and Saudi Arabia"

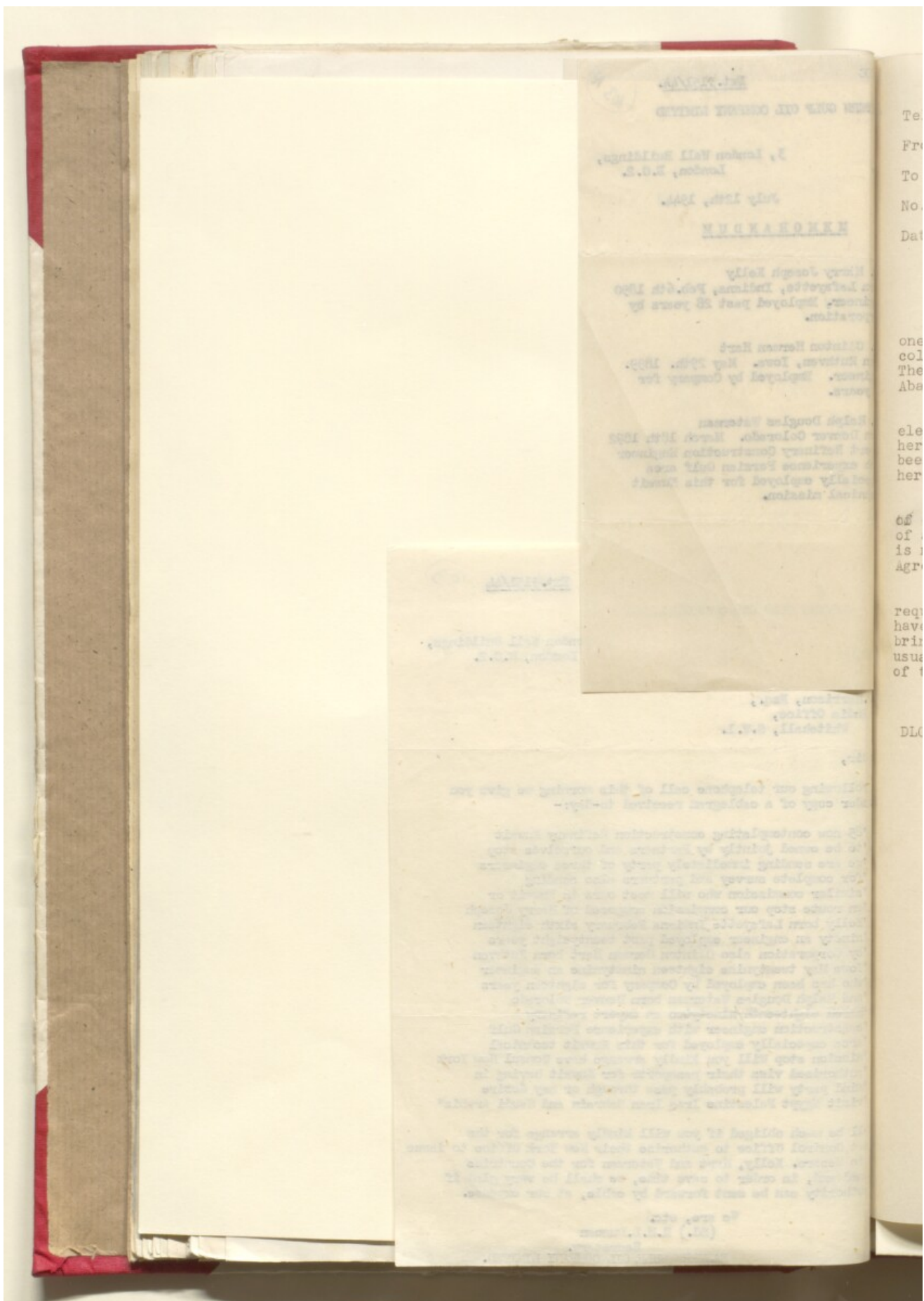
We shall be much obliged if you will kindly arrange for the  
Passport Control Office to authorise their New York Office to issue  
visas to Messrs. Kelly, Hart and Waterman for the Countries  
mentioned and, in order to save time, we shall be very glad if  
your authority can be sent forward by cable, at our expense.

We are, etc.  
(Sd.) R.H.L. Duncan  
Secretary.  
EASTERN GULF OIL COMPANY LIMITED.











86/1

(104)

Telegram Q  
From Political Agent, Kuwait.  
To Political Resident at Shiraz.  
No. 725

Dated 2nd received 3rd October 1944.

(68)

Kuwait Oil Company are in urgent need of one native Surveyor and one assistant surveyor to help collect data required by recent technical commission. They wish to bring two Persians for the purpose from Abadan for temporary duty extending to three months.

2. They also require a man highly trained in electric and Oxyacetylene Welding for permanent employment here. Owing to demand for war work in India they have been unable to get one there and there are none available here. They therefore wish to bring one from Iraq.

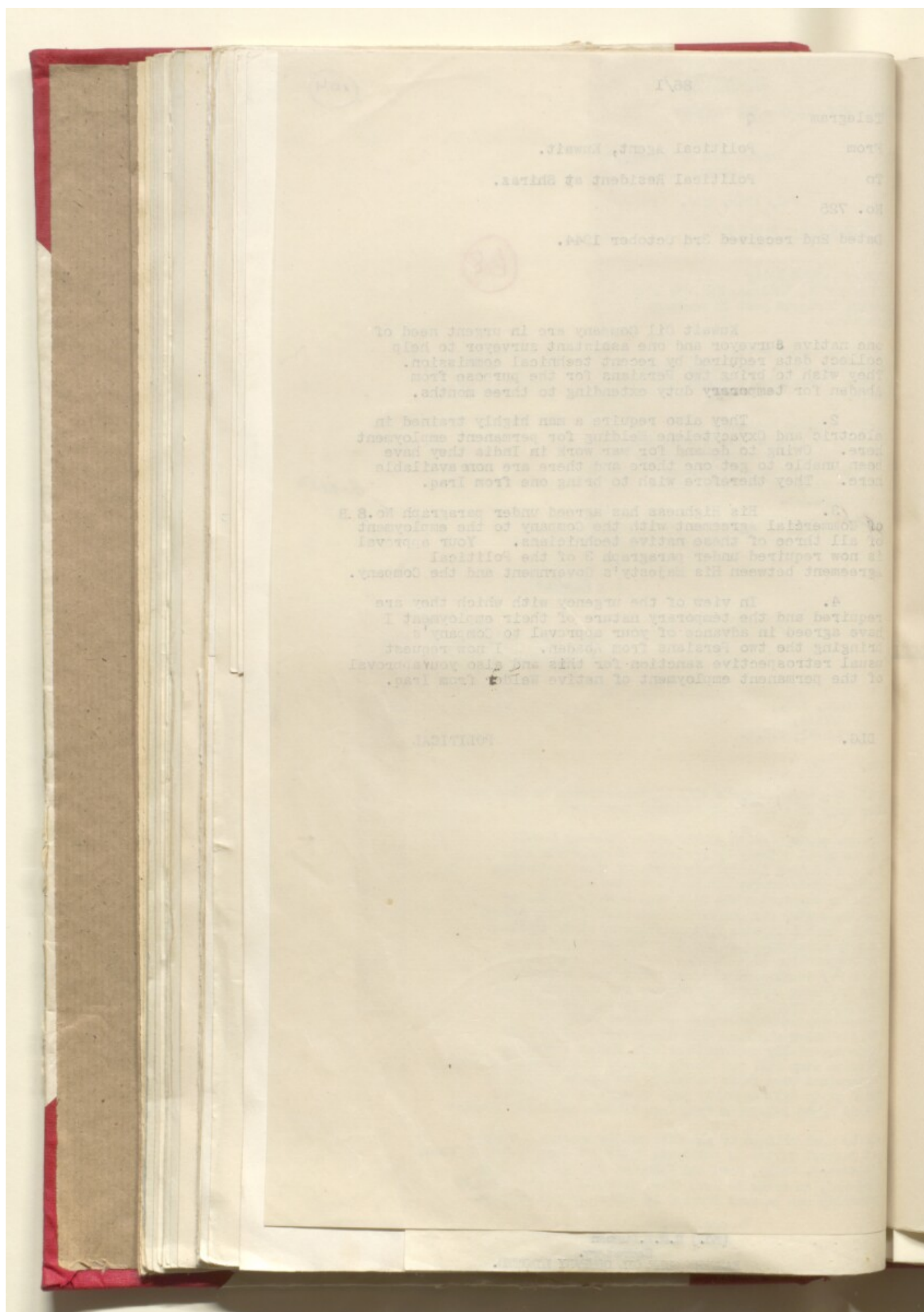
3. His Highness has agreed under paragraph No. 8 B of Commercial Agreement with the Company to the employment of all three of these native technicians. Your approval is now required under paragraph 3 of the Political Agreement between His Majesty's Government and the Company.

4. In view of the urgency with which they are required and the temporary nature of their employment I have agreed in advance of your approval to Company's bringing the two Persians from Abadan. I now request usual retrospective sanction for this and also your approval of the permanent employment of native Welder from Iraq.

DLG.

POLITICAL







86/1

Telegram Q  
From Political Resident at Shiraz.  
To Political Agent, Kuwait.  
No. T/689  
Dated 5th October, 1944.

(69)

S 68

Your telegram No. 725 October 2nd.

2. Temporary employment of Persians from Abadan.  
Sanction accorded.

3. In the circumstances employment of welder  
from Iraq is approved. Company should however be warned  
that when labour situation is easier effort should be  
made to find British subject or subject of Shaikh.

PRIOR

YG

CONFIDENTIAL

No. C/351

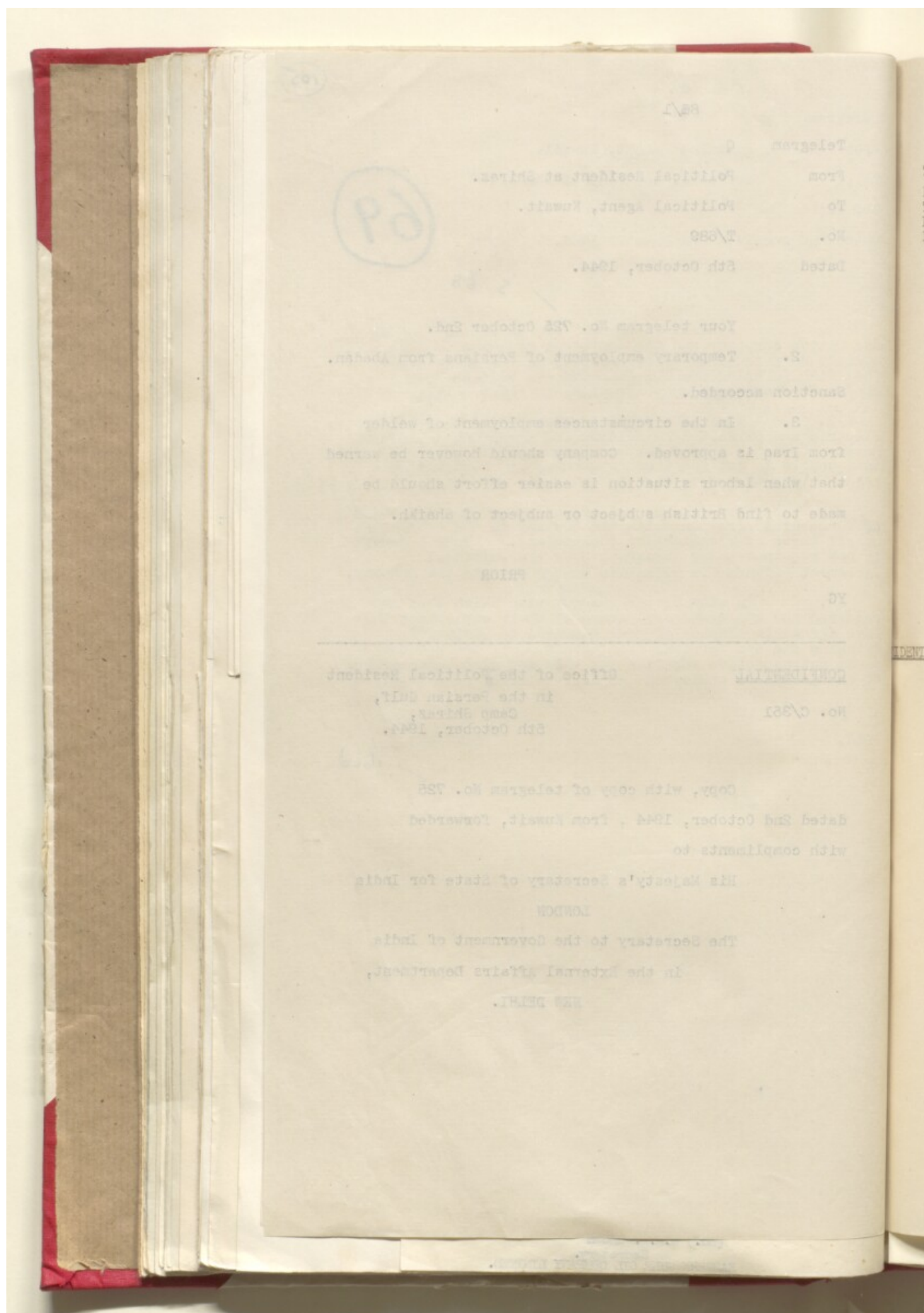
Office of the Political Resident  
in the Persian Gulf,  
Camp Shiraz,  
5th October, 1944.

Copy, with copy of telegram No. 725  
dated 2nd October, 1944, from Kuwait, forwarded  
with compliments to

His Majesty's Secretary of State for India

LONDON

The Secretary to the Government of India  
in the External Affairs Department,  
NEW DELHI.







86/1 & 86/2

106

Telegram S(A)  
From H.M.Ambassador, Tehran.  
To Political Resident, at Shiraz.  
No. 170  
Dated 4th October (Relayed from Bushire under telegram No.1891 dated 5th and received 5th October 1944).

70

Secret.

for Political Resident

Following from General Manager, Anglo Persian Oil Company in ~~Tehran~~ Begins:- Curtice, an American Oil Technician temporarily employed by Iranian Government as Adviser on oil concessionary questions is visiting our Khuzistan operations and has asked for your assistance in arranging journeys to Kuwait and Bahrain. His only interest is in technical geological aspects of these oil fields. Obligated if you would instruct Political Agent Kuwait to inform Shaikh if you consider such action illegal.

AMBASSADOR.

DLG.

IDENTIAL

2 st.

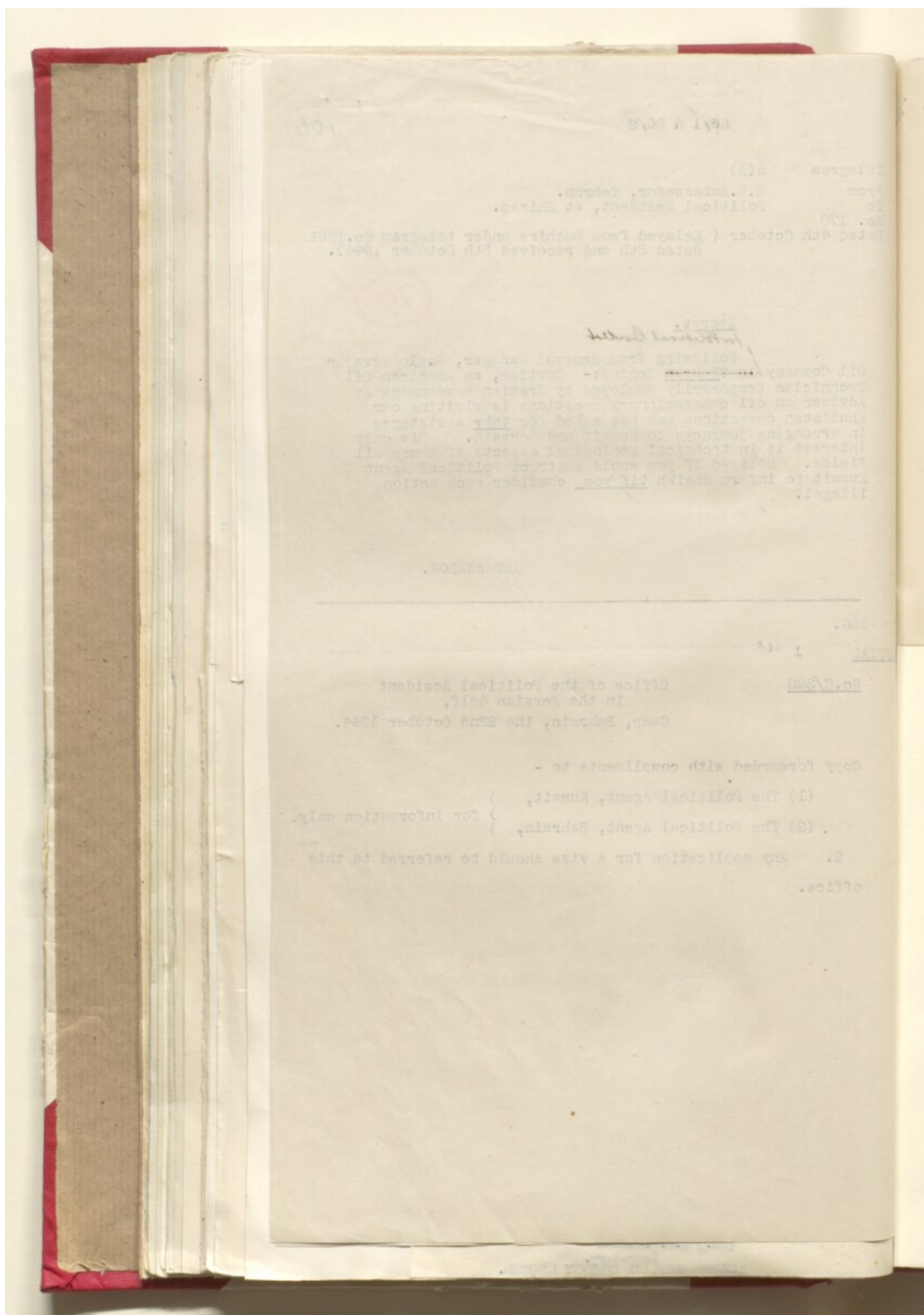
No.C/392

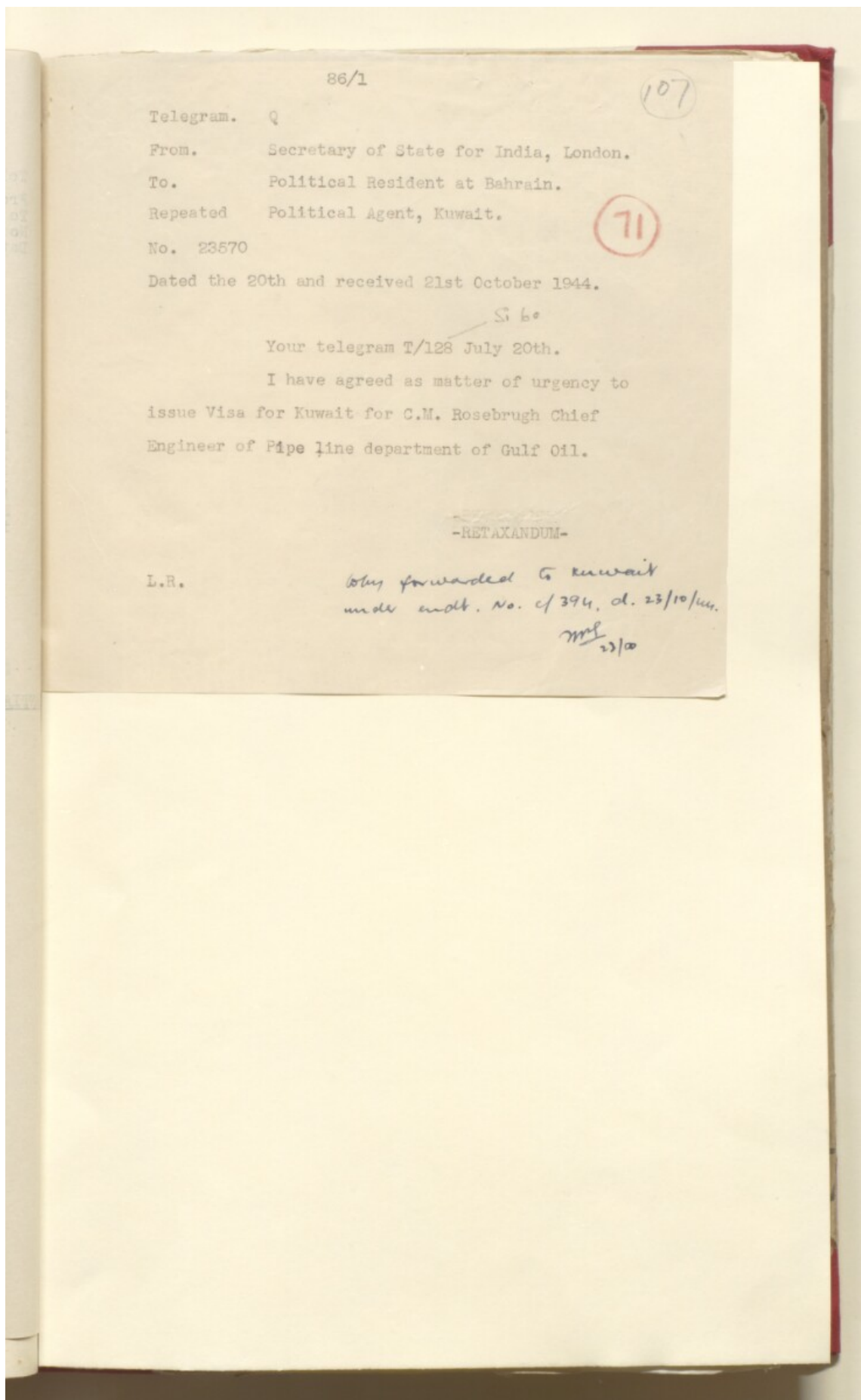
Office of the Political Resident  
in the Persian Gulf,  
Camp, Bahrain, the 22nd October 1944.

Copy forwarded with compliments to -

- (1) The Political Agent, Kuwait, )
- (2) The Political Agent, Bahrain, ) for information only.

2. Any application for a visa should be referred to this office.





86/1  
Telegram. Q  
From. Secretary of State for India, London.  
To. Political Resident at Bahrain.  
Repeated Political Agent, Kuwait.  
No. 23570  
Dated the 20th and received 21st October 1944.

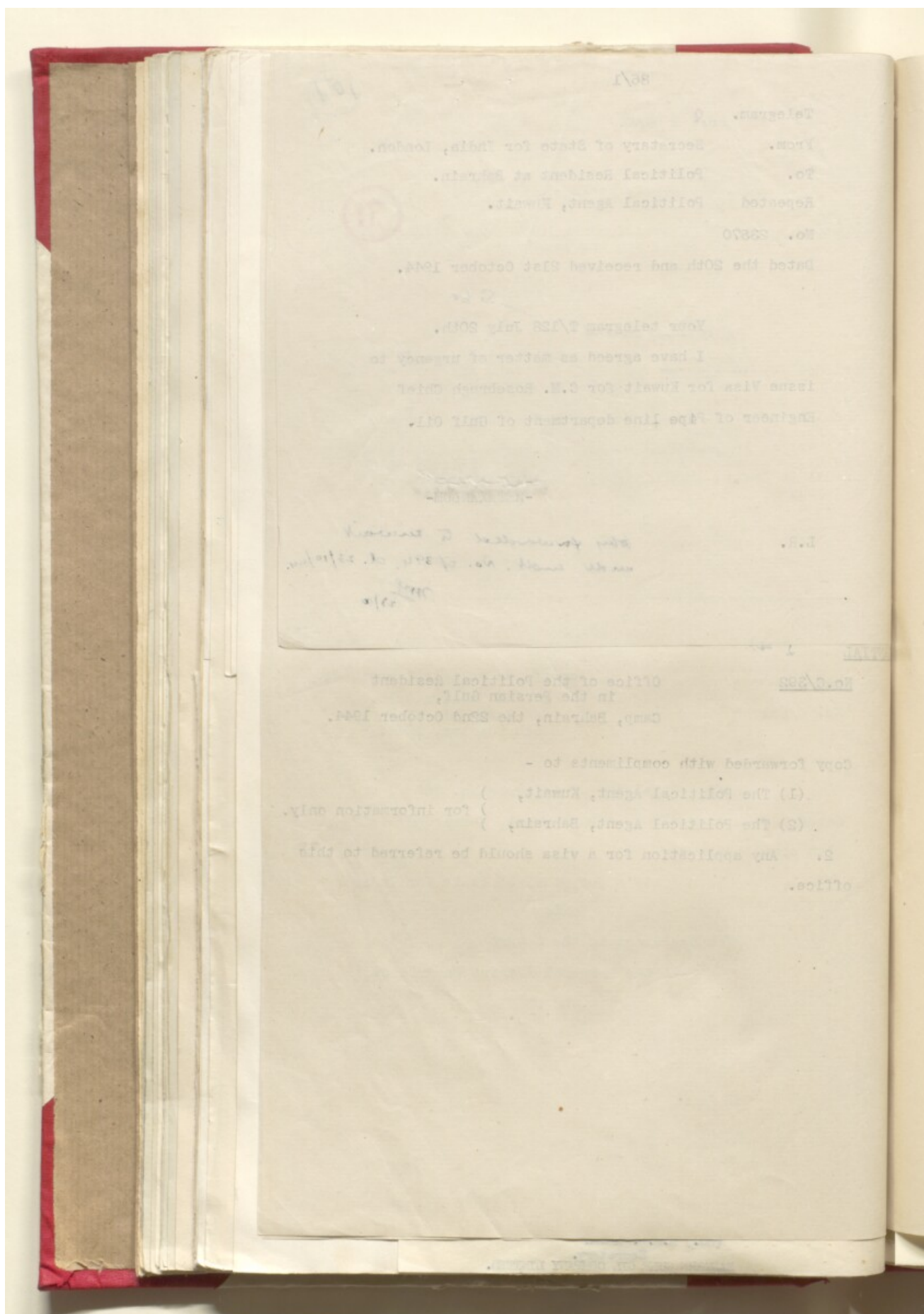
S 6:  
Your telegram T/128 July 20th.  
I have agreed as matter of urgency to  
issue Visa for Kuwait for C.M. Rosebrugh Chief  
Engineer of Pipe line department of Gulf Oil.

-RETAXANDUM-

L.R.

copy forwarded to Kuwait  
under mlt. No. C/394, d. 23/10/44.  
mf  
23/10







108

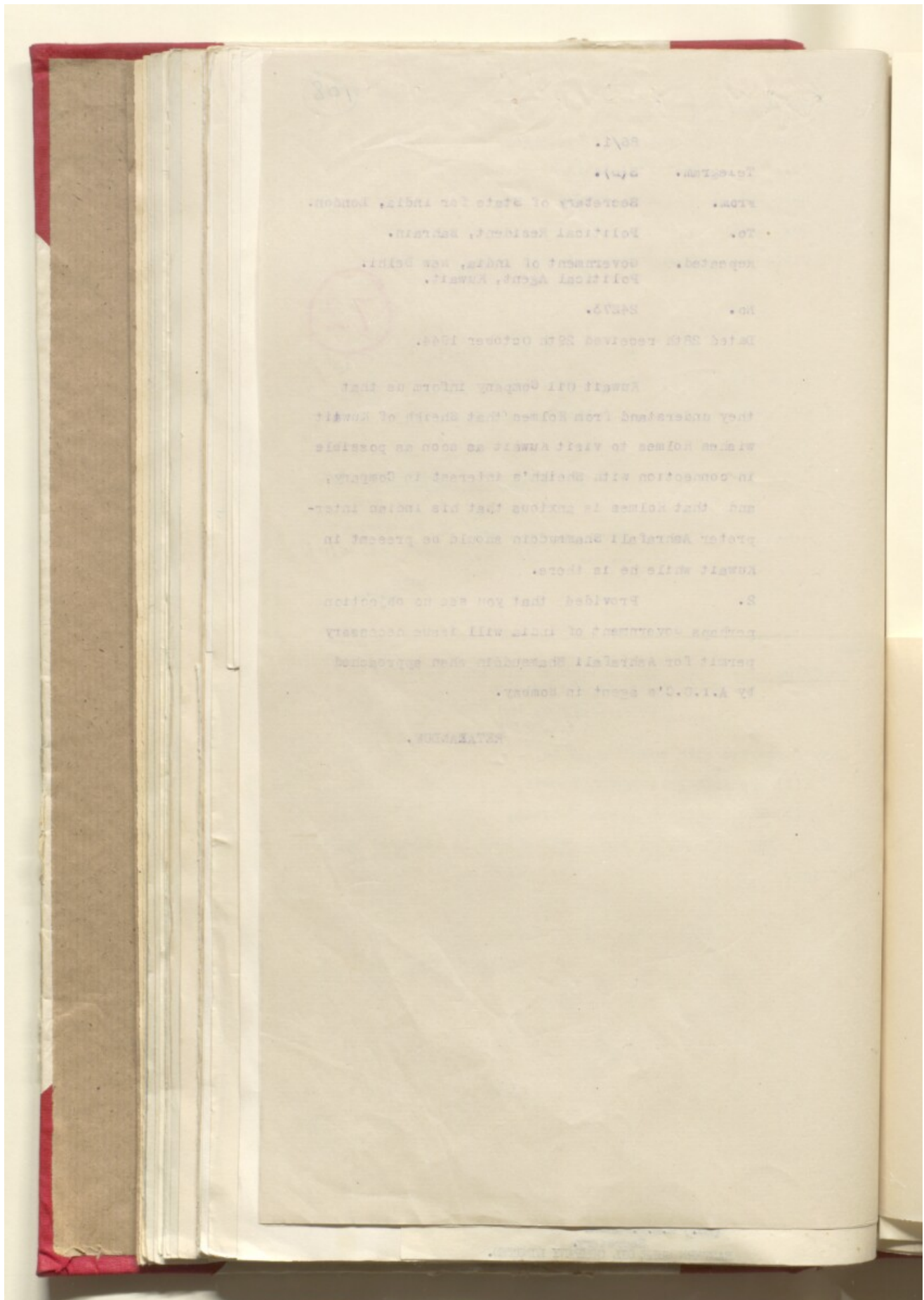
86/1.  
Telegram. S.W).  
From. Secretary of State for India, London.  
To. Political Resident, Bahrain.  
Repeated. Government of India, New Delhi.  
Political Agent, Kuwait.  
No. 24273.  
Dated 28th received 29th October 1944.

72

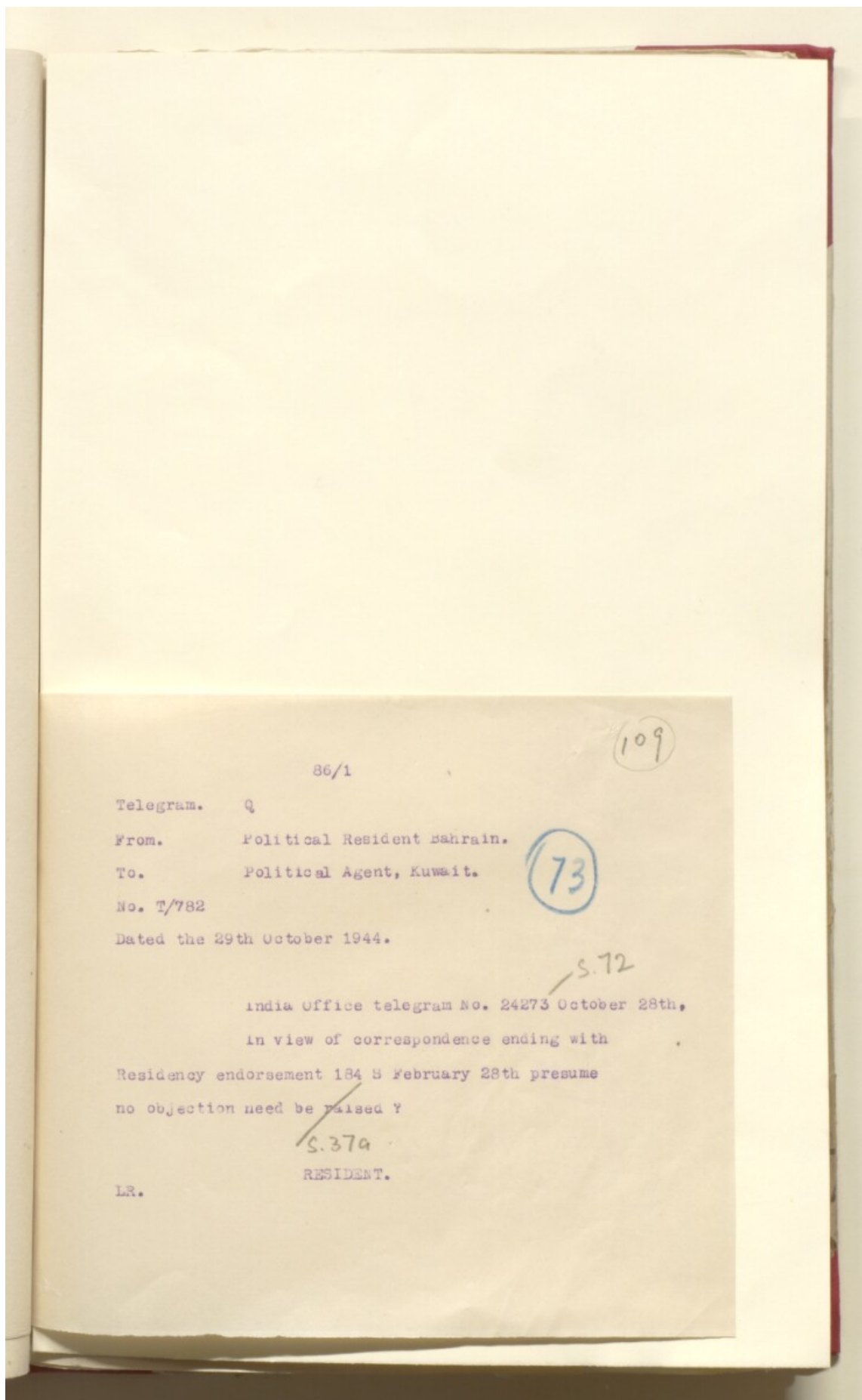
Kuwait Oil Company inform us that they understand from Holmes that Sheikh of Kuwait wishes Holmes to visit Kuwait as soon as possible in connection with Sheikh's interest in Company, and that Holmes is anxious that his Indian interpreter Ashrafali Shamsuddin should be present in Kuwait while he is there.

2. Provided that you see no objection perhaps Government of India will issue necessary permit for Ashrafali Shamsuddin when approached by A.I.O.C's agent in Bombay.

RETAKANDUM.







86/1

Telegram. Q

From. Political Resident Bahrain.

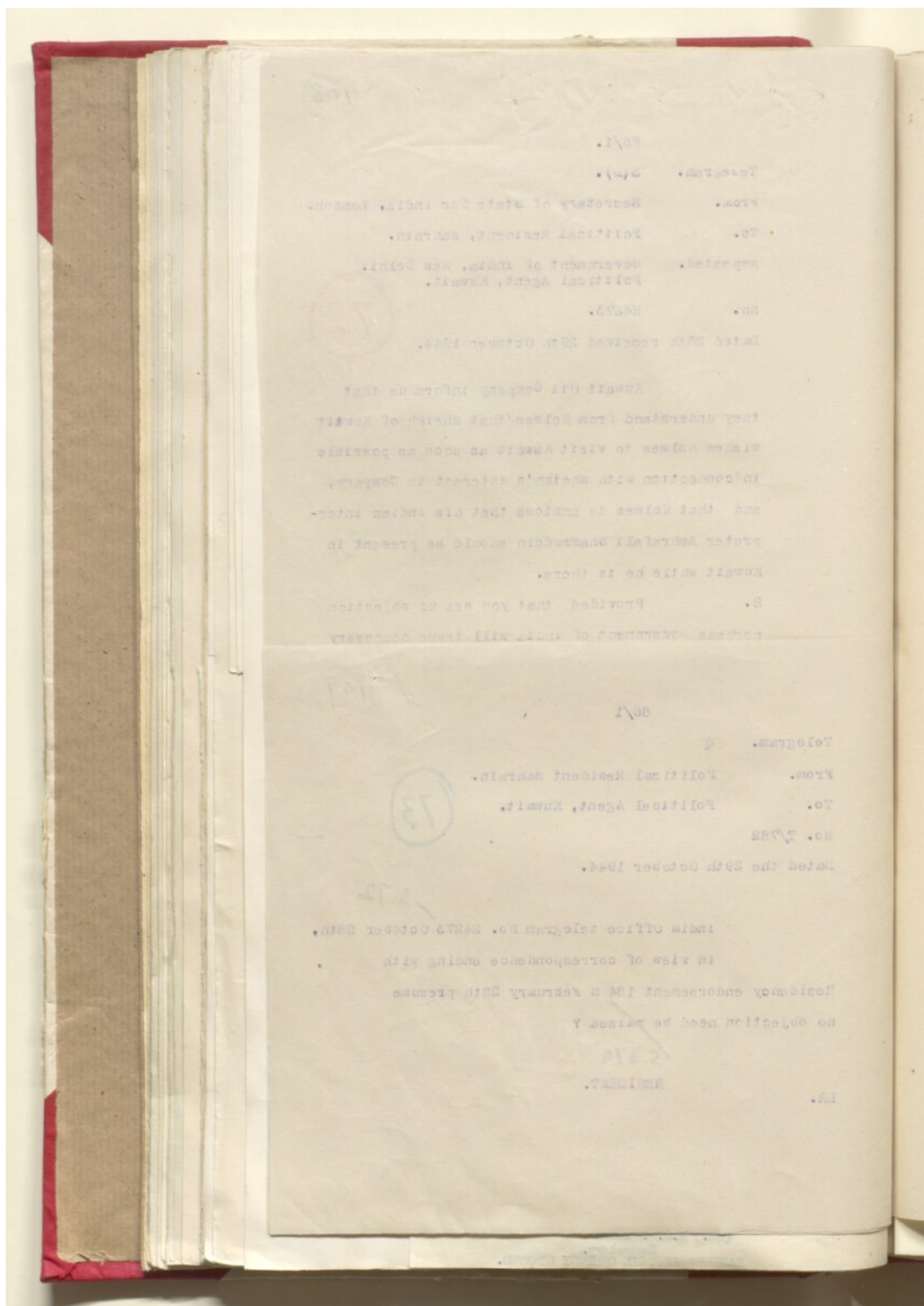
To. Political Agent, Kuwait.

No. T/782

Dated the 29th October 1944.

India Office telegram No. 24273 October 28th,  
in view of correspondence ending with  
Residency endorsement 184 S February 28th presume  
no objection need be raised ?

LR. RESIDENT.





86/1. (74) 110  
Telegram, Q.  
From. Political Agent, Kuwait.  
To. Political Resident at Bahrain.  
No. 786.

Dated 31st October received 1st November 1944.

Paragraph No. 2 <sup>S. 70</sup> your endorsement  
G/392 October 23rd.

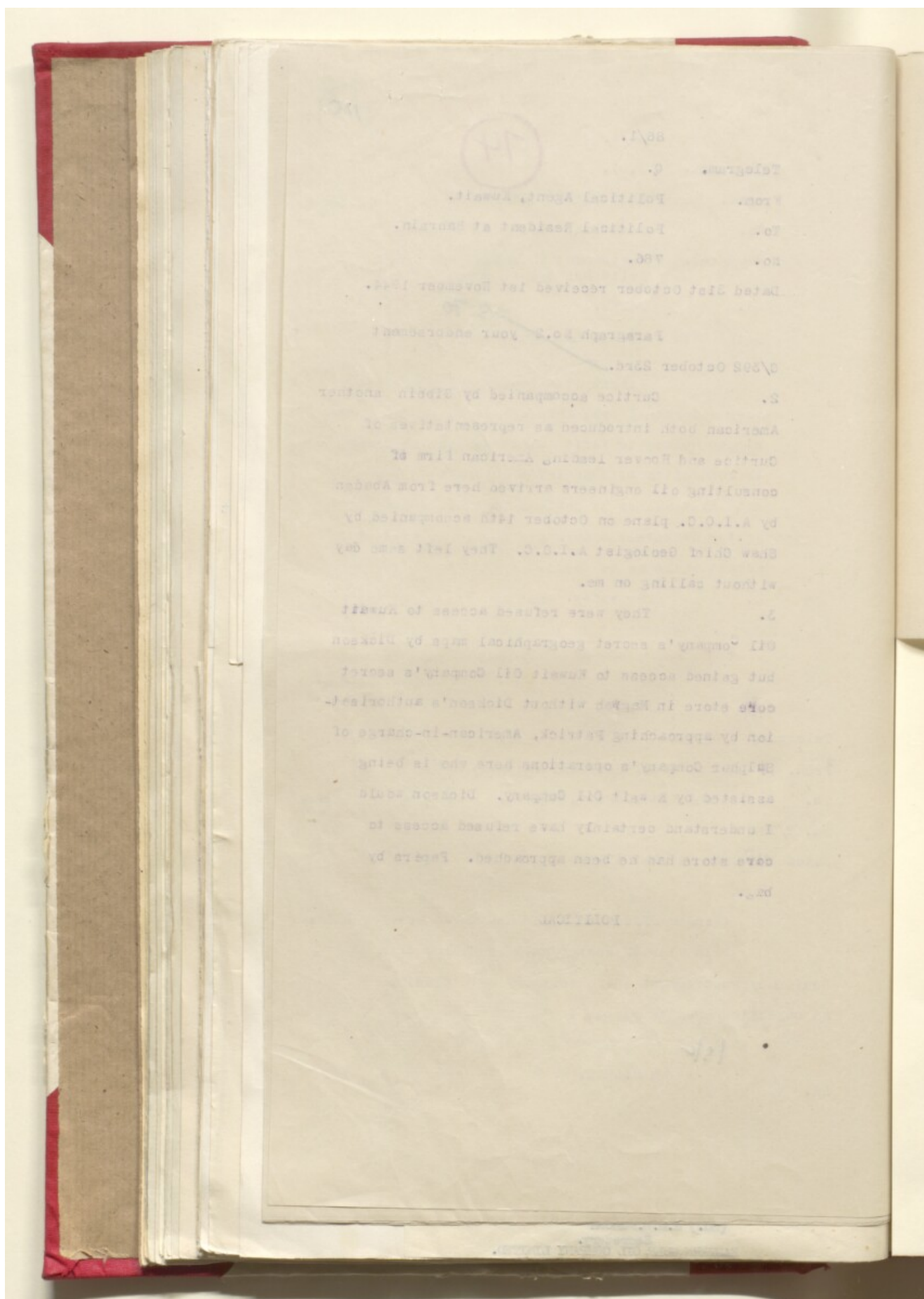
2. Curtice accompanied by Gibbin another American both introduced as representatives of Curtice and Hoover leading American firm of consulting oil engineers arrived here from Abadan by A.I.O.C. plane on October 14th accompanied by Shaw Chief Geologist A.I.O.C. They left same day without calling on me.

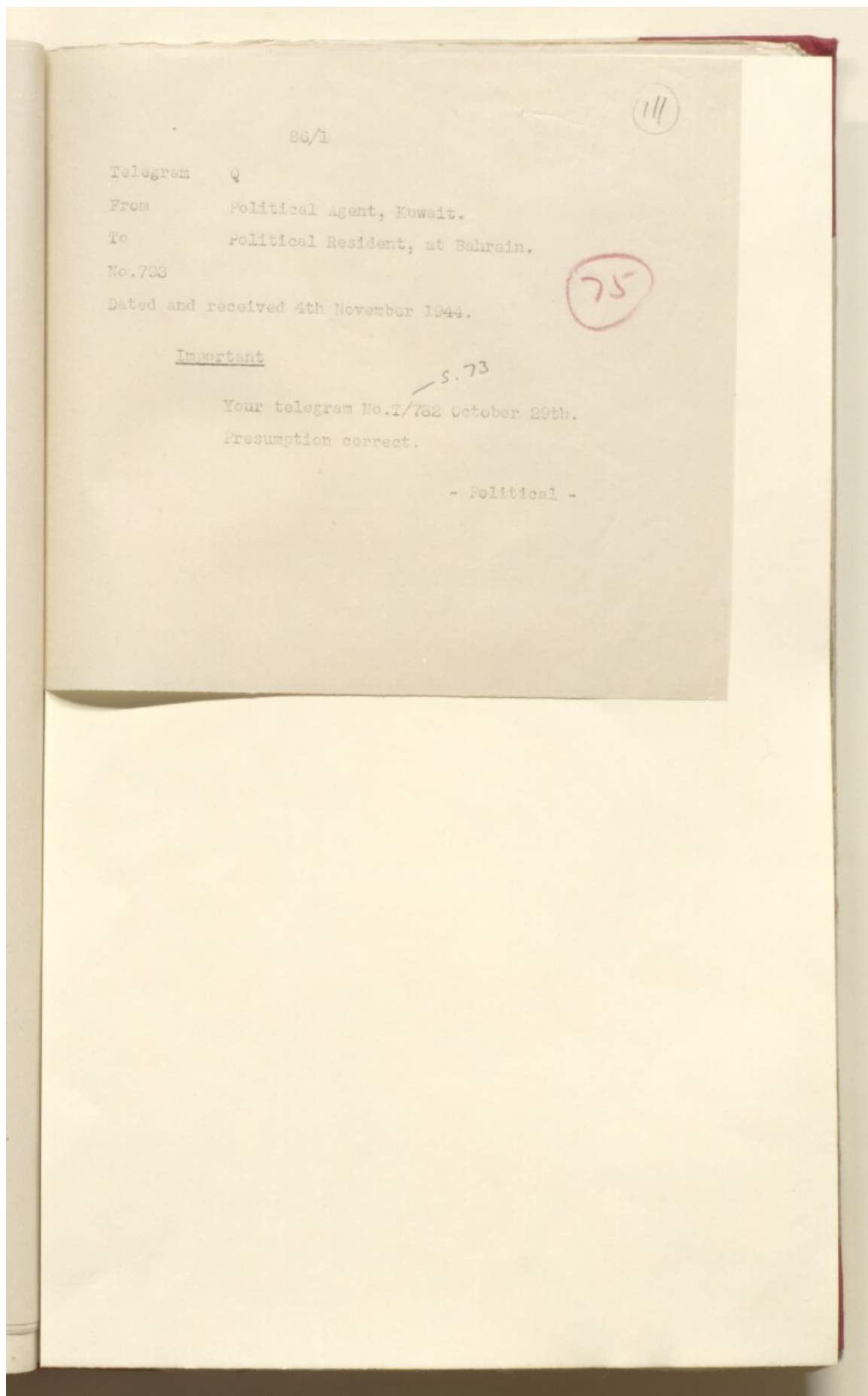
3. They were refused access to Kuwait Oil Company's secret geographical maps by Dickson but gained access to Kuwait Oil Company's secret core store in Magwah without Dickson's authorisation by approaching Patrick, American-in-charge of Sulphur Company's operations here who is being assisted by Kuwait Oil Company. Dickson would I understand certainly have refused access to core store had he been approached. Papers by  
ba.

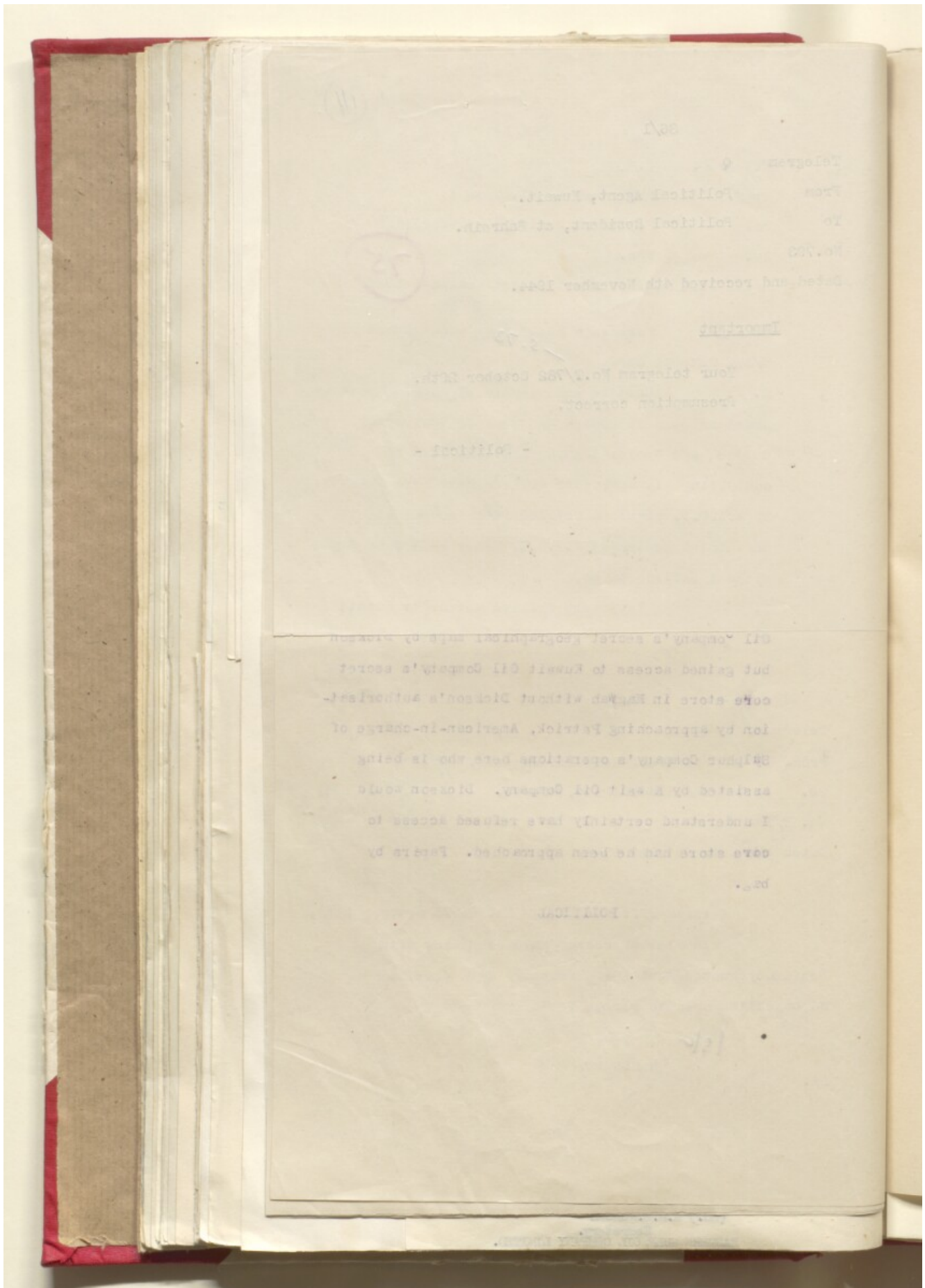
POLITICAL

• 1sk













112

66/1.  
Telegram. S(pac).  
From. Political Resident at Bahrain.  
To. Government of India, New Delhi.  
Repeated. Secretary of State for India, London.  
Copy. Political Agent, Kuwait.  
No. T/806.  
Dated. 5th November 1944. (76)

India Office telegram No. 24273  
October 28th.

No objection to grant of permit  
for Kuwait to Holmes' interpreter.

Resident.

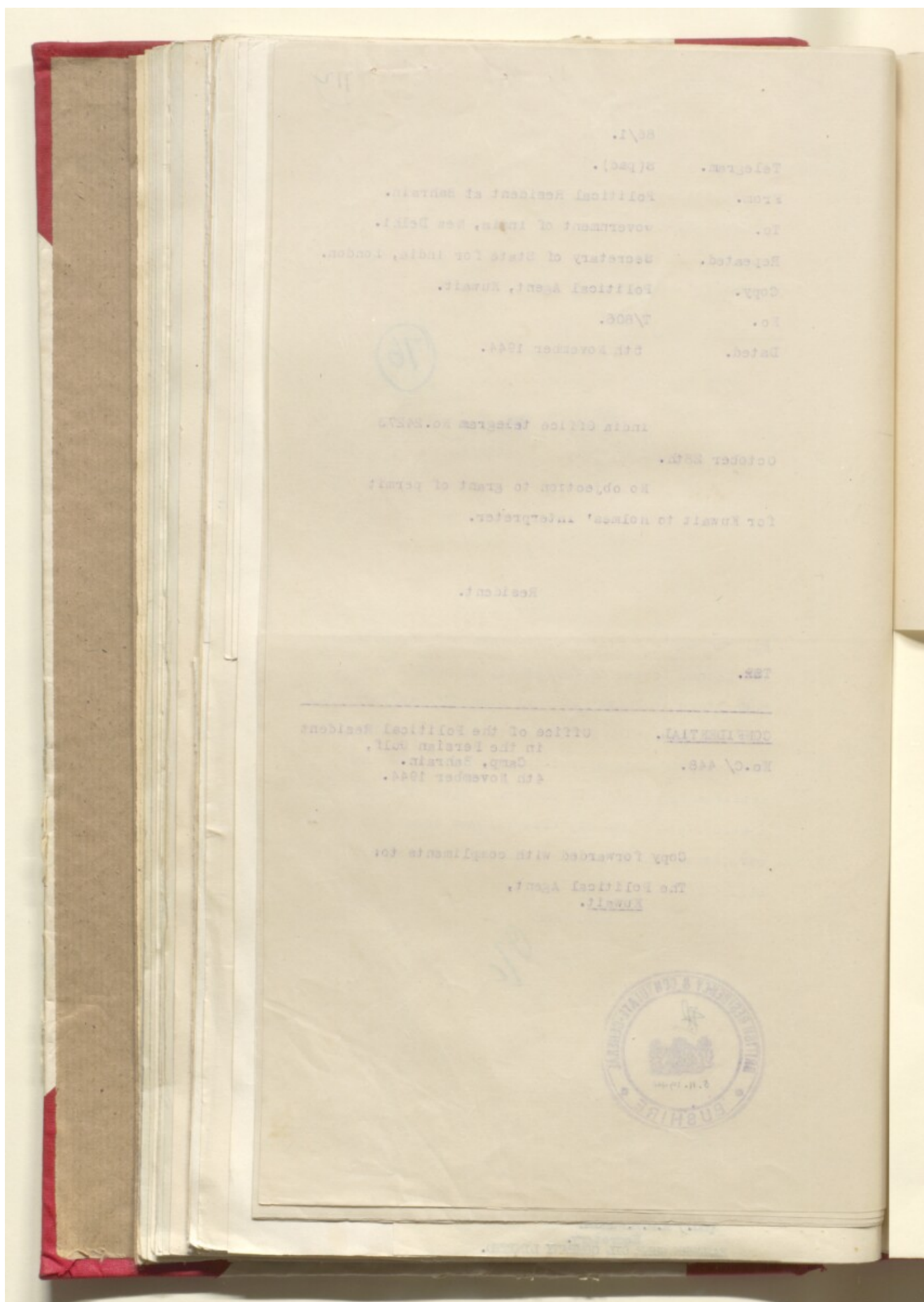
TSR.

---

CONFIDENTIAL. Office of the Political Resident  
in the Persian Gulf,  
Camp, Bahrain.  
No.C/ 448. 4th November 1944.

Copy forwarded with compliments to:  
The Political Agent,  
Kuwait.







86/1

113

Telegram S(D)  
From Government of India, New Delhi.  
To India Office, London.  
Repeated Political Resident, at Bahrain.  
Political Agent, Kuwait.  
No. 14536.

77

Dated and received 8th November 1944.

572

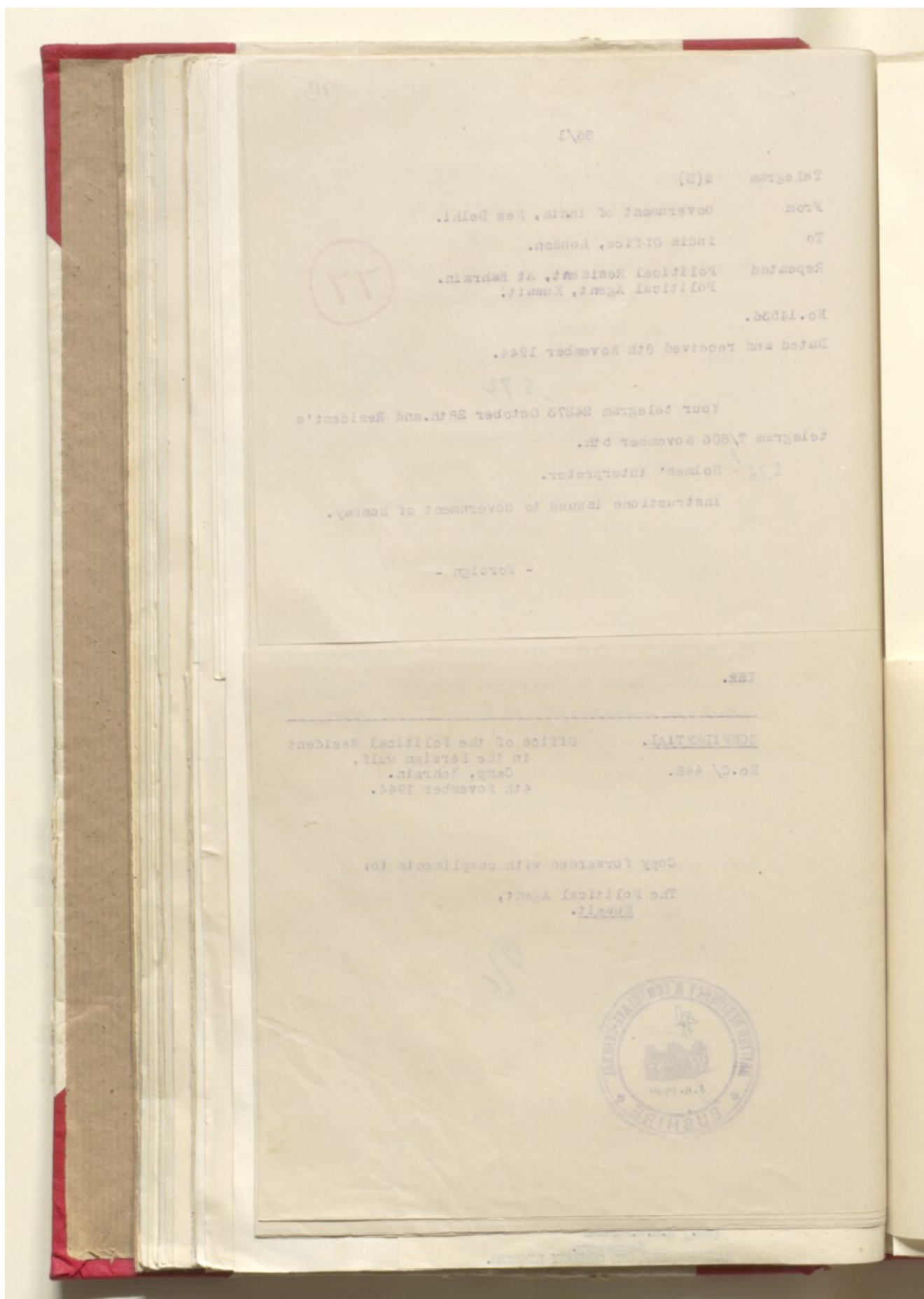
Your telegram 24273 October 28th. and Resident's  
telegram T/806 November 5th.

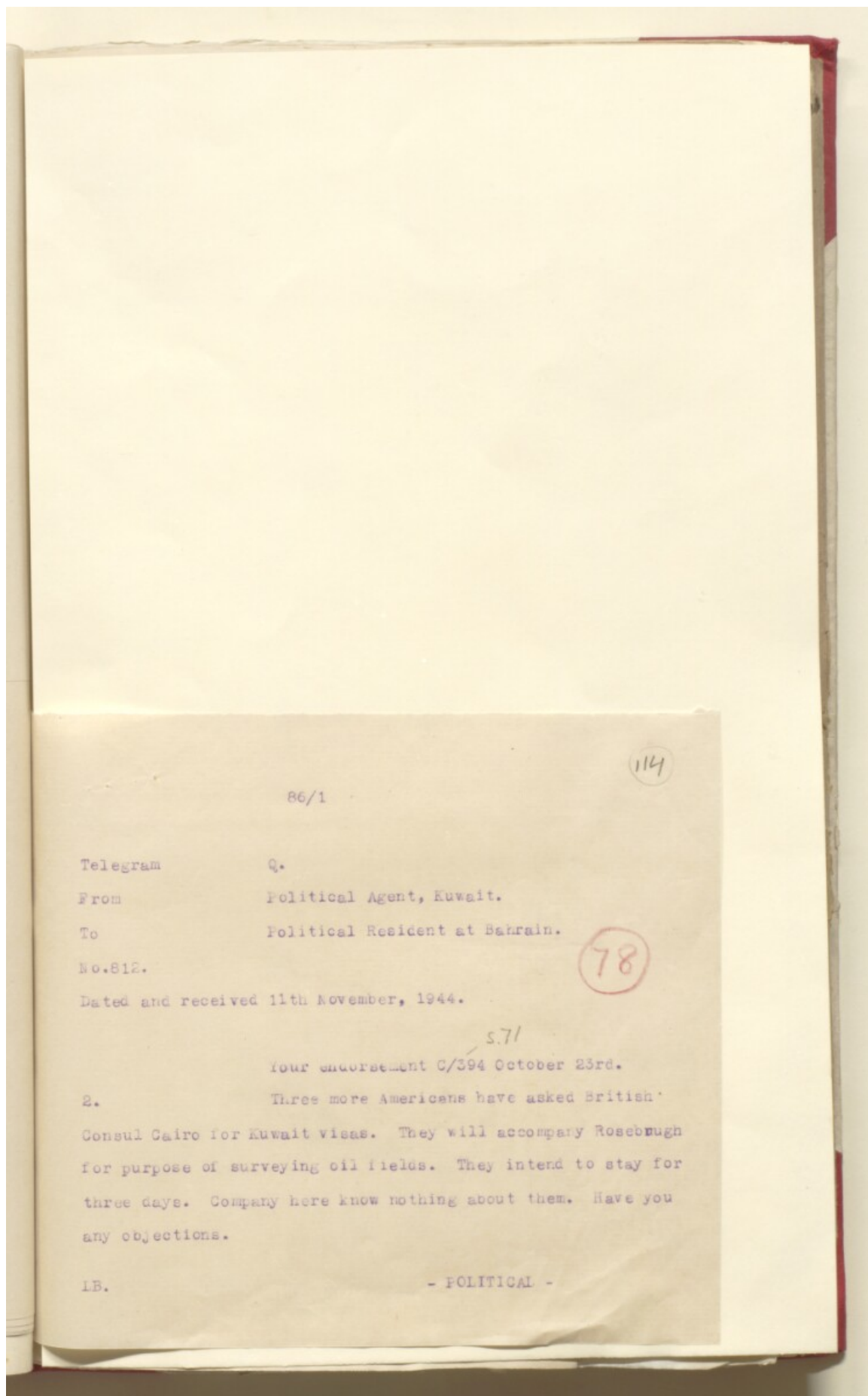
576 / Holmes' interpreter.

instructions issued to Government of Bombay.

- Foreign -







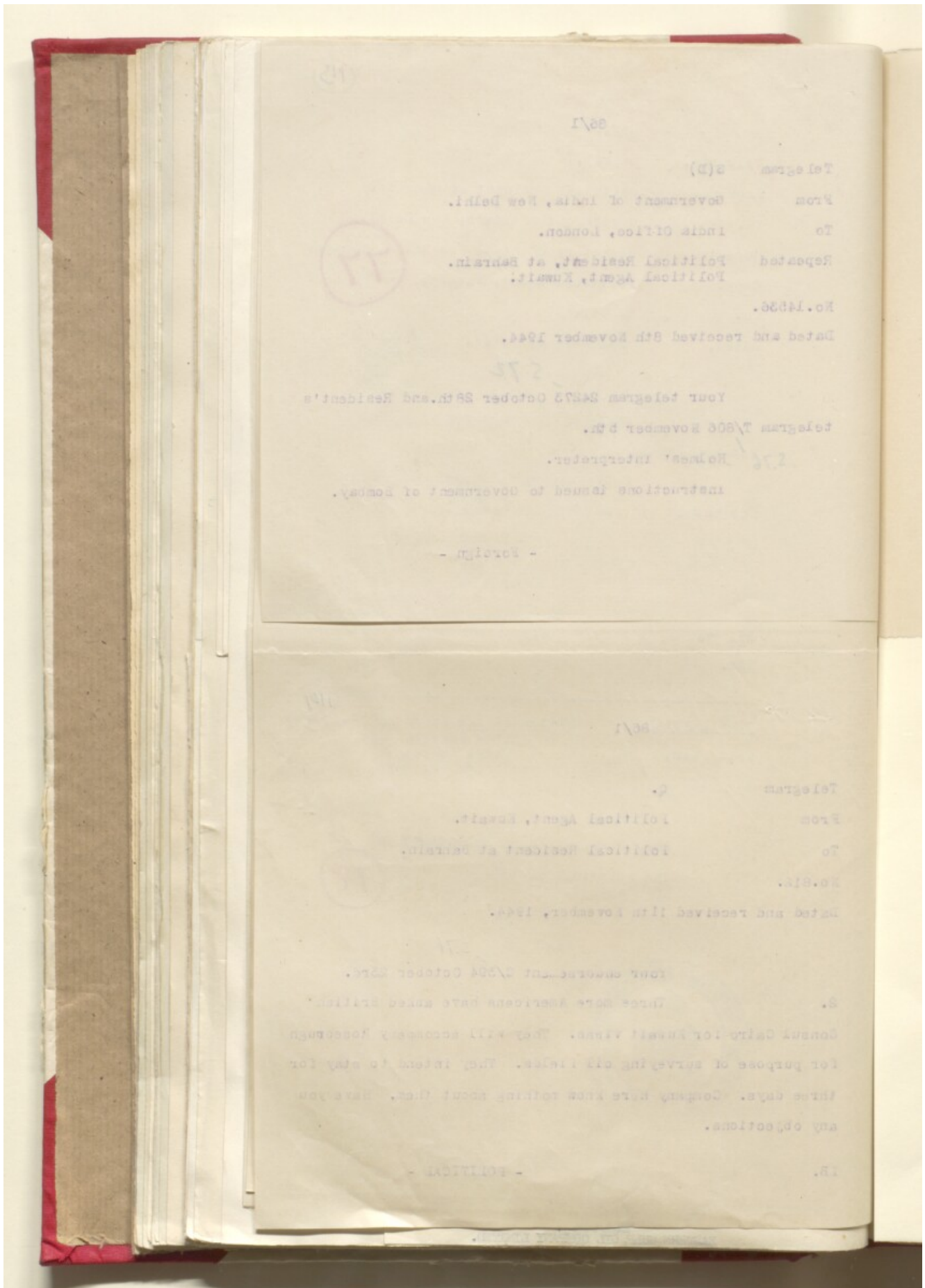
86/1

Telegram Q.  
From Political Agent, Kuwait.  
To Political Resident at Bahrain.  
No.812.  
Dated and received 11th November, 1944.

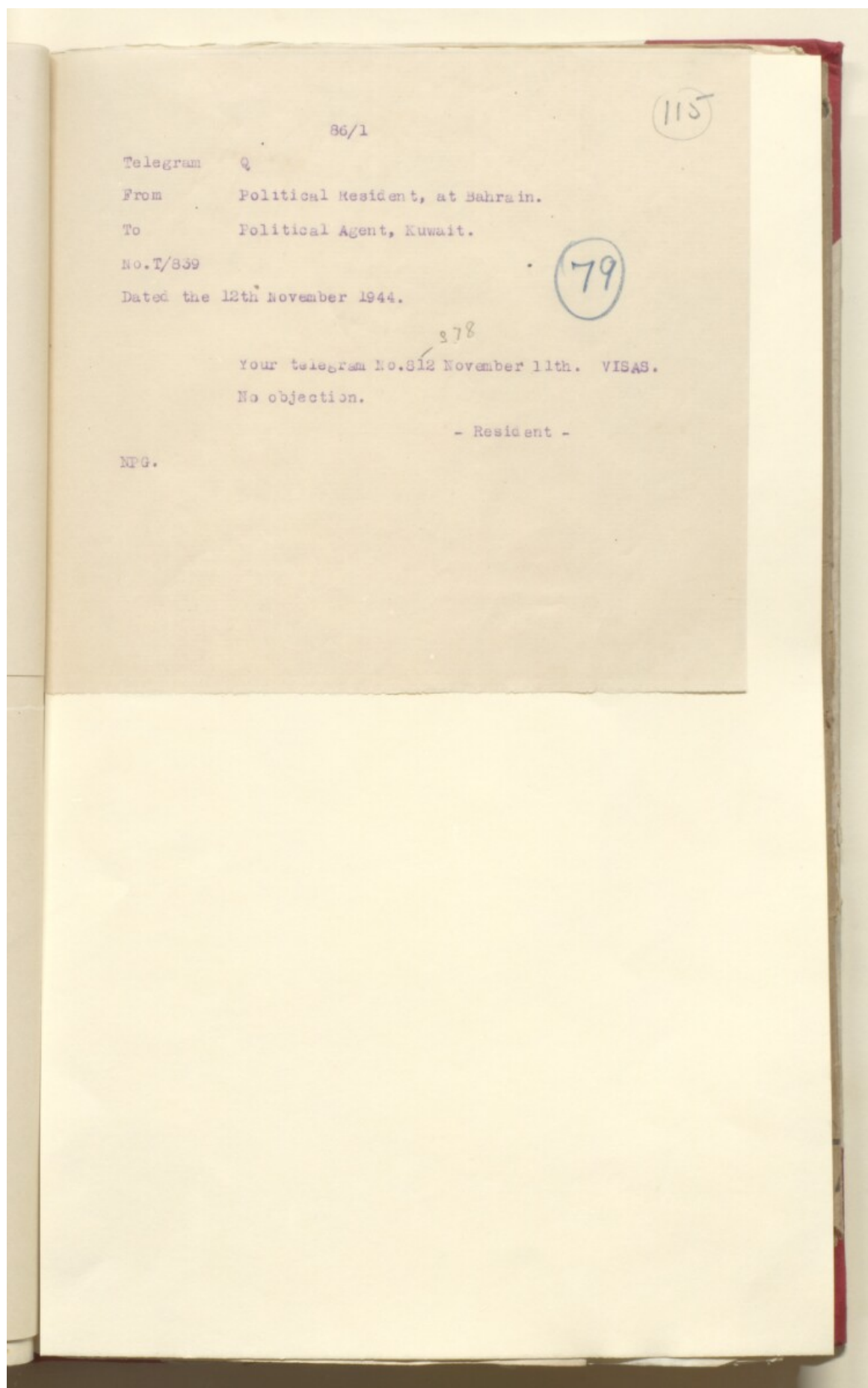
5.71  
Your endorsement C/394 October 23rd.  
2. Three more Americans have asked British  
Consul Cairo for Kuwait visas. They will accompany Rosebough  
for purpose of surveying oil fields. They intend to stay for  
three days. Company here know nothing about them. Have you  
any objections.

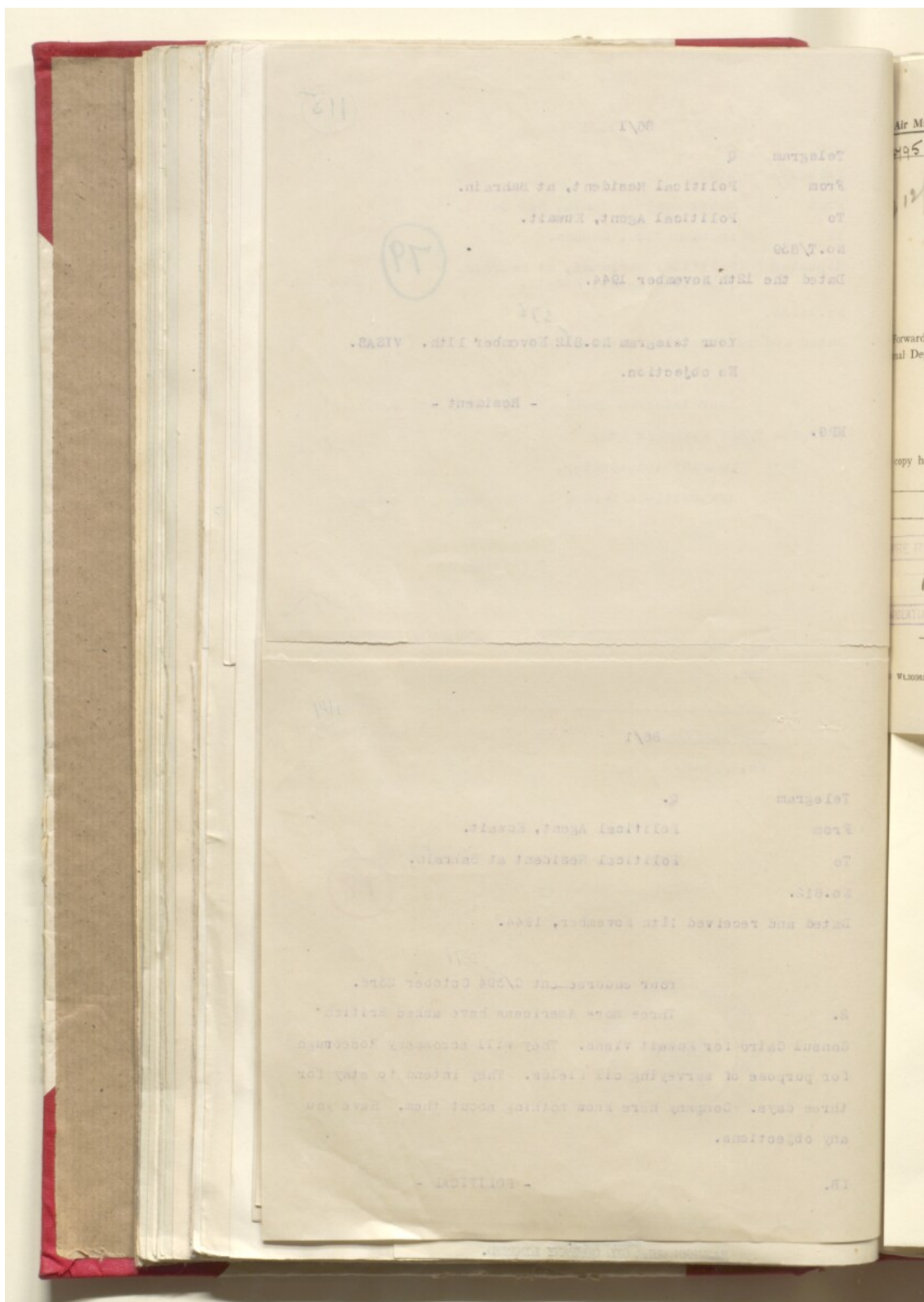
LB.

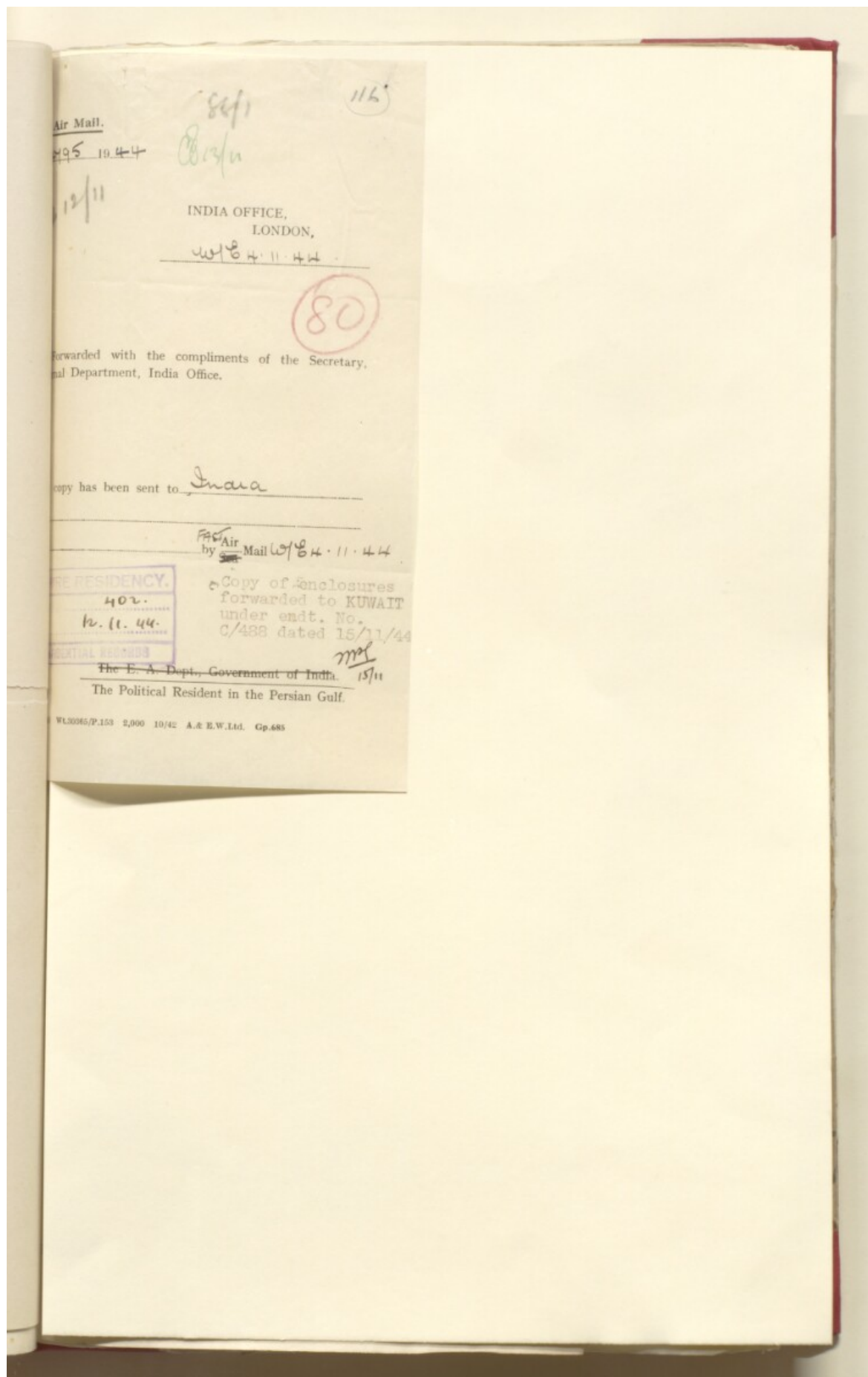
- POLITICAL -



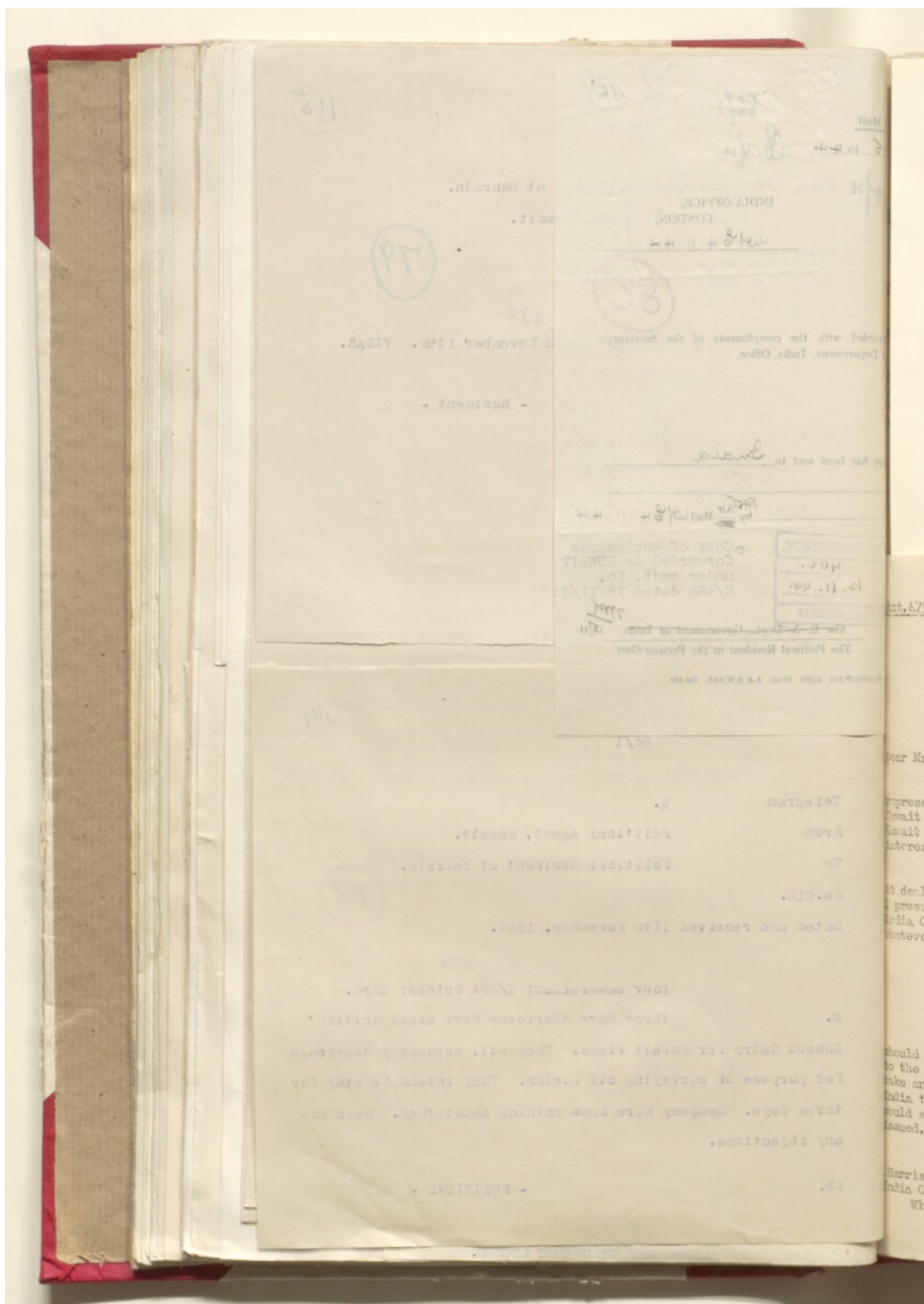


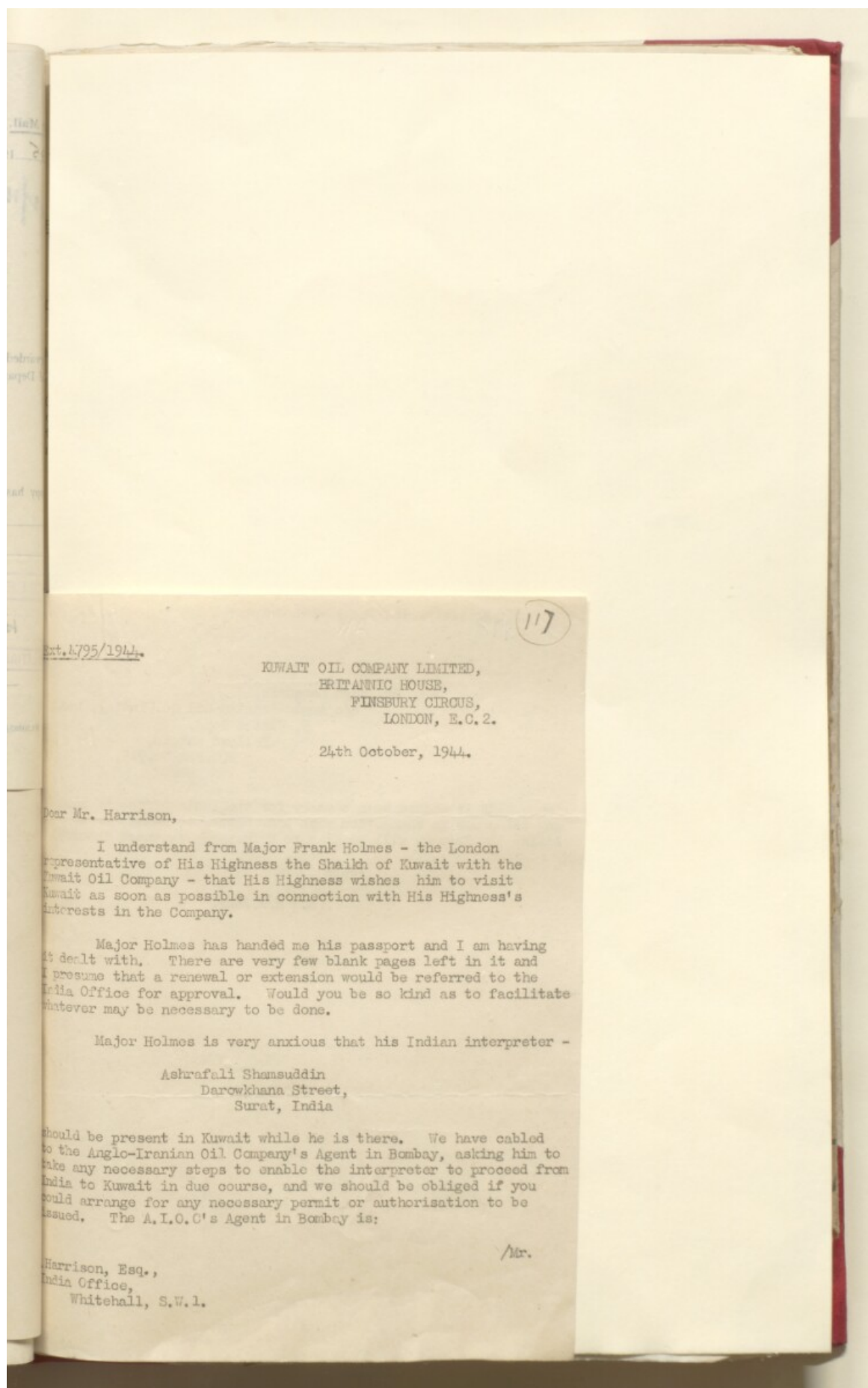












Ext. 4795/1944.

117  
KUWAIT OIL COMPANY LIMITED,  
BRITANNIC HOUSE,  
PINSBURY CIRCUS,  
LONDON, E.C.2.

24th October, 1944.

Dear Mr. Harrison,

I understand from Major Frank Holmes - the London representative of His Highness the Shaikh of Kuwait with the Kuwait Oil Company - that His Highness wishes him to visit Kuwait as soon as possible in connection with His Highness's interests in the Company.

Major Holmes has handed me his passport and I am having it dealt with. There are very few blank pages left in it and I presume that a renewal or extension would be referred to the India Office for approval. Would you be so kind as to facilitate whatever may be necessary to be done.

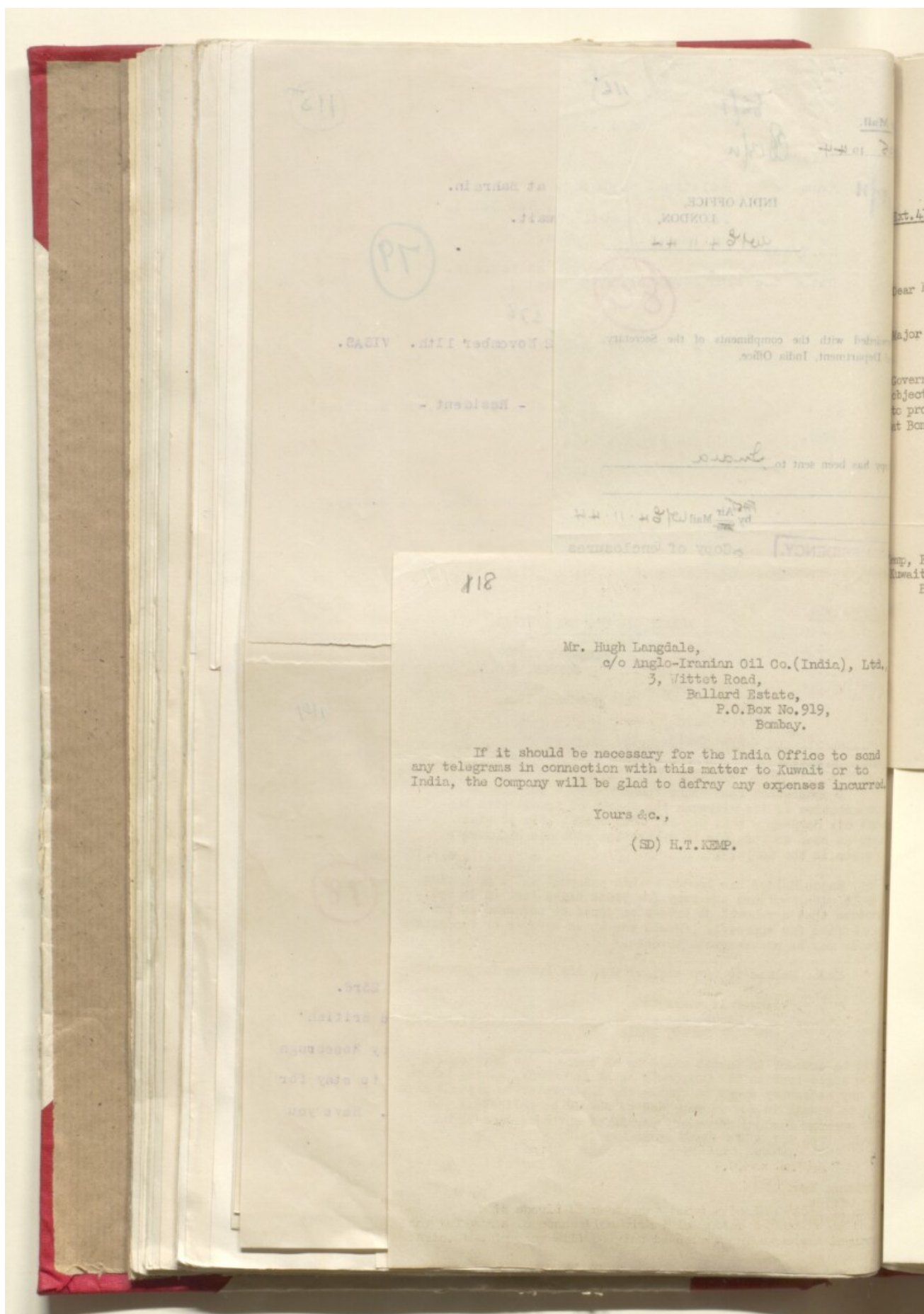
Major Holmes is very anxious that his Indian interpreter -

Ashrafali Shamsuddin  
Darowkhana Street,  
Surat, India

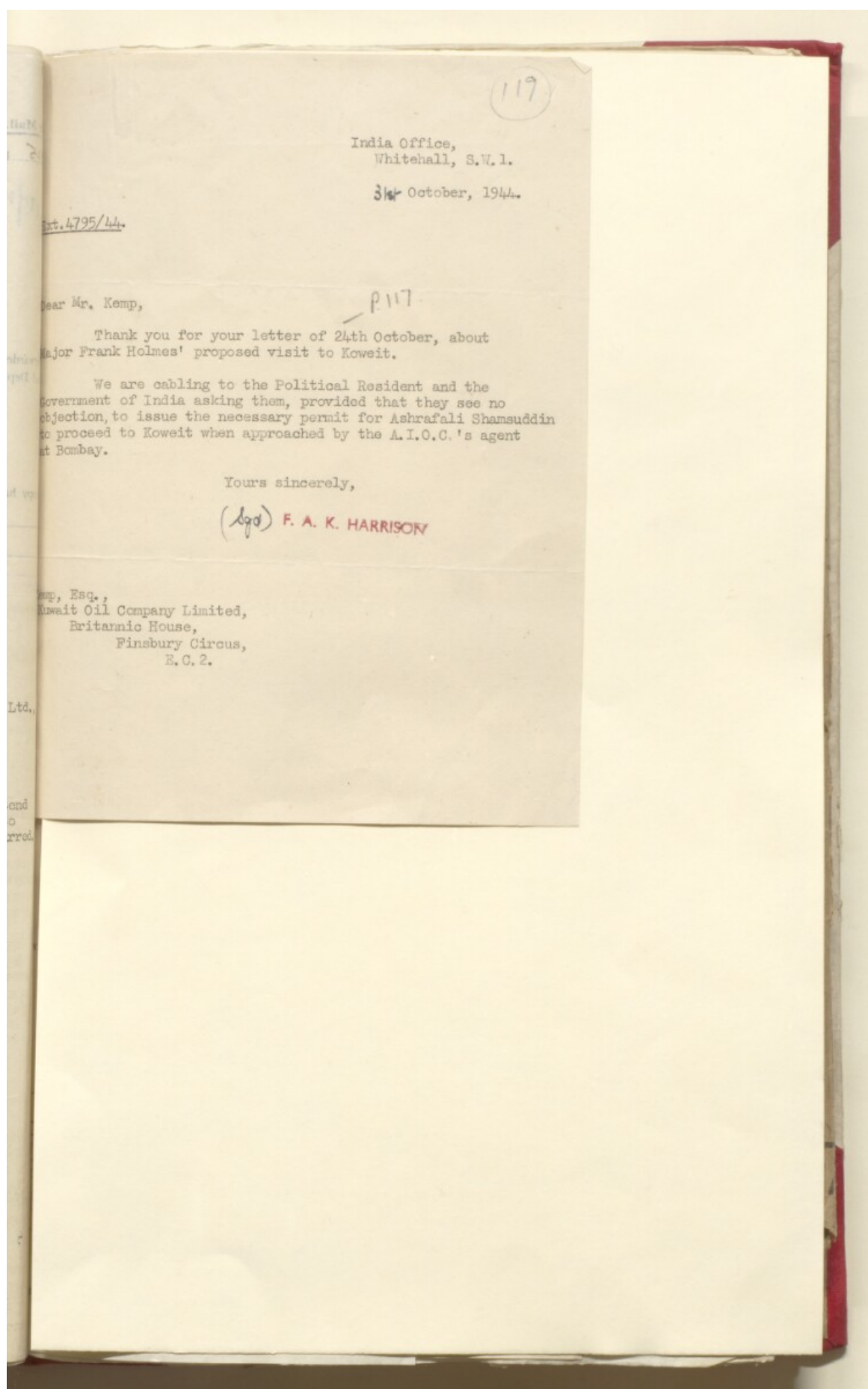
should be present in Kuwait while he is there. We have cabled to the Anglo-Iranian Oil Company's Agent in Bombay, asking him to take any necessary steps to enable the interpreter to proceed from India to Kuwait in due course, and we should be obliged if you could arrange for any necessary permit or authorisation to be issued. The A.I.O.C's Agent in Bombay is:

/Mr.

Harrison, Esq.,  
India Office,  
Whitehall, S.W.1.







India Office,  
Whitehall, S.W.1.

31st October, 1944.

Ext. 4795/44.

Dear Mr. Kemp,

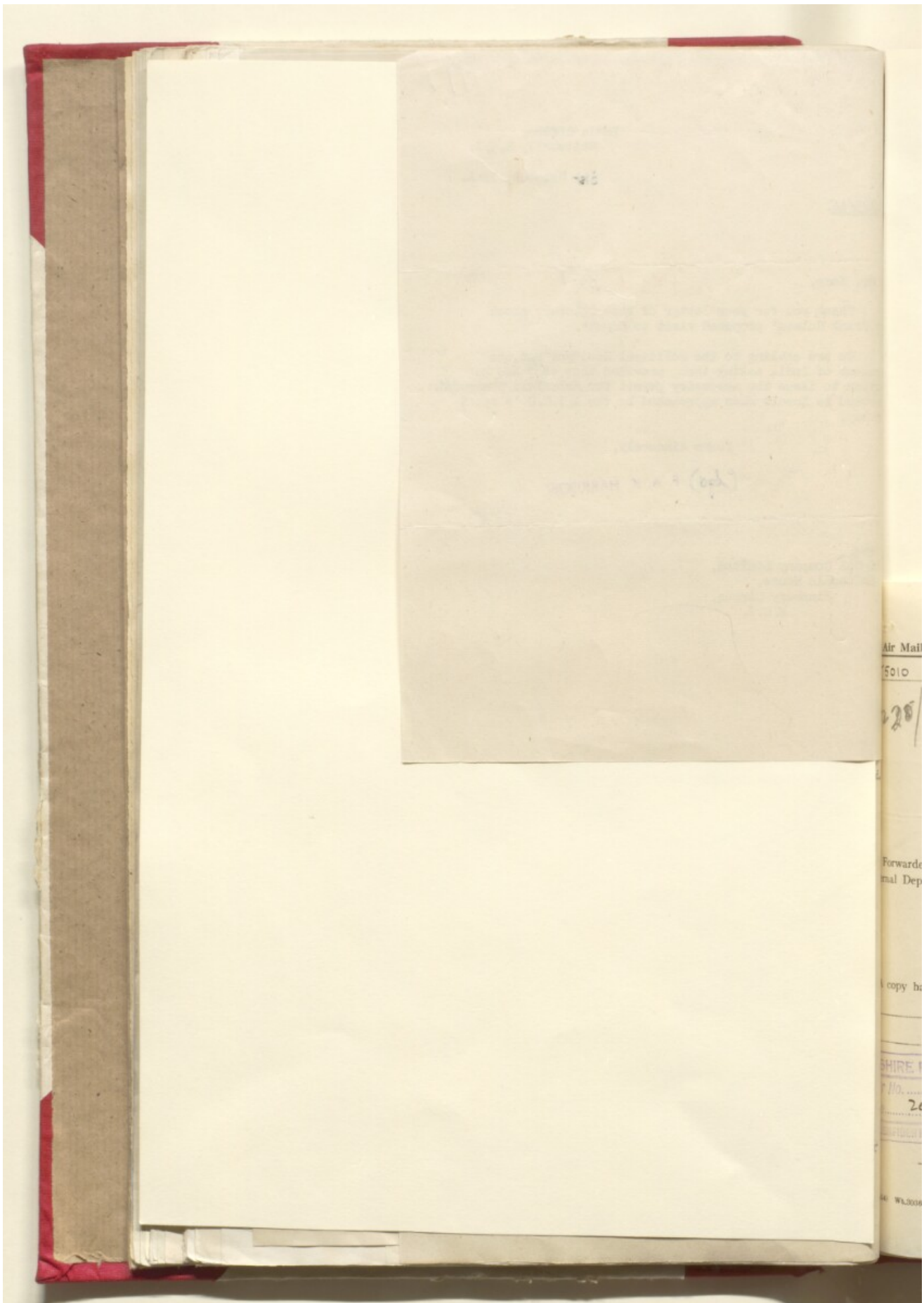
Thank you for your letter of 24th October, about  
Major Frank Holmes' proposed visit to Kuwait.

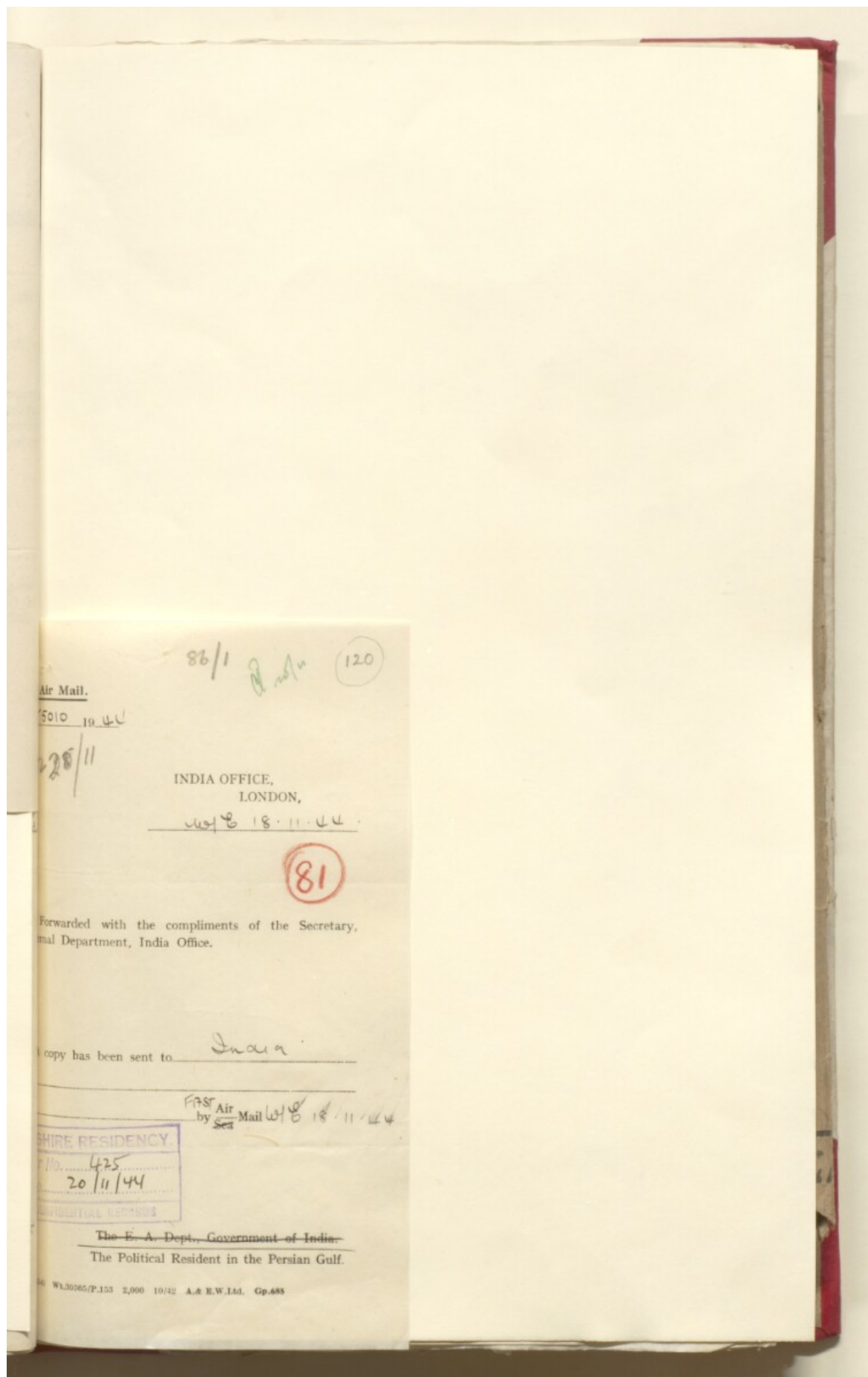
We are cabling to the Political Resident and the  
Government of India asking them, provided that they see no  
objection, to issue the necessary permit for Ashrafali Shamsuddin  
to proceed to Kuwait when approached by the A.I.O.C.'s agent  
at Bombay.

Yours sincerely,

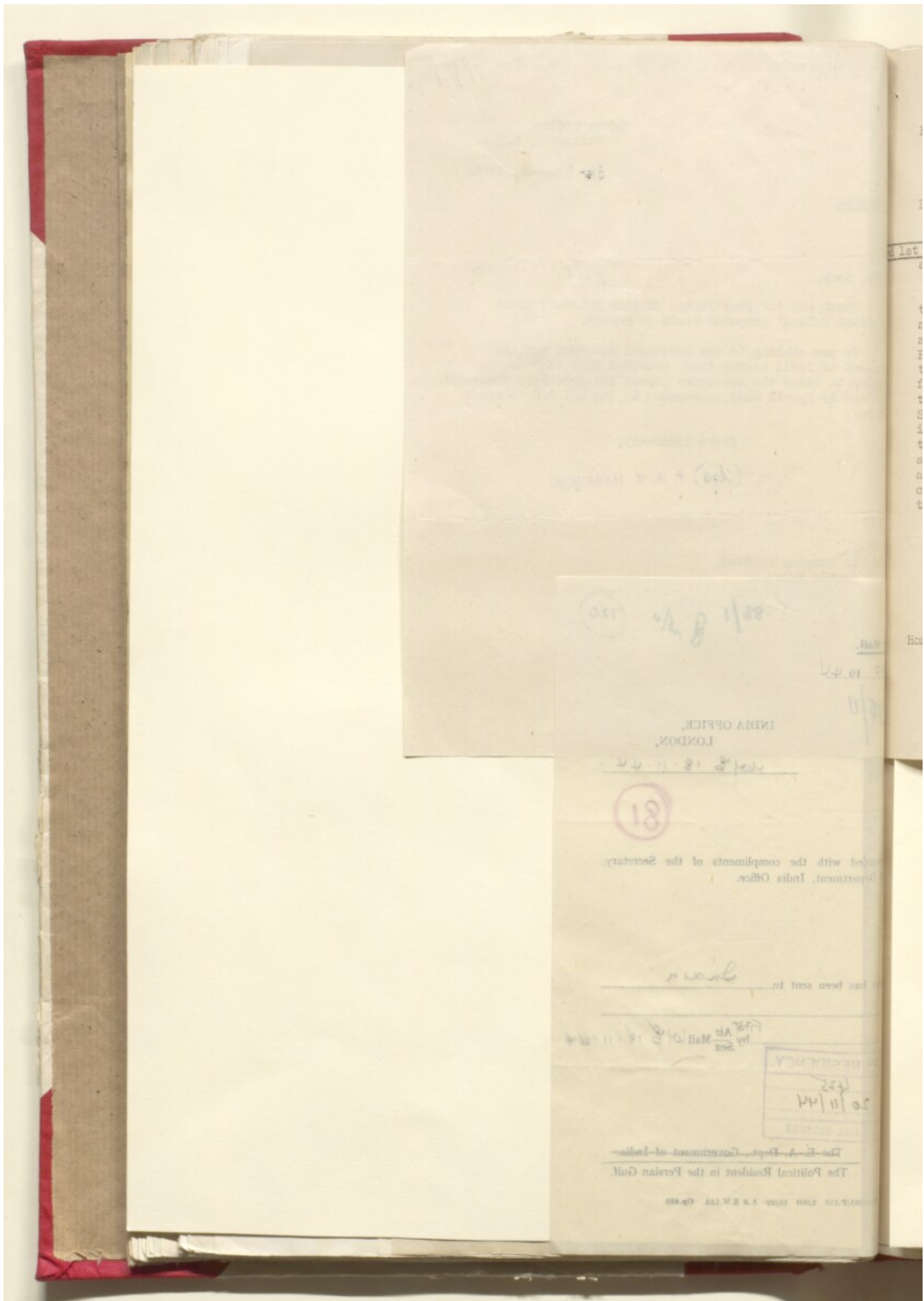
(Sgd) F. A. K. HARRISON

Mr. Kemp, Esq.,  
Kuwait Oil Company Limited,  
Britannic House,  
Finsbury Circus,  
E.C.2.











Ext. 5010/44

INDIA OFFICE,  
WHITEHALL,  
S.W.1.

9th November, 1944.

Dear Bridgeman,

I enclose a copy of a letter from Major Frank Holmes  
21st November asking for our support in obtaining a return  
air passage for him to Kuwait.

On the occasion of Holmes' visit to the Gulf early  
this year the Petroleum Division with our agreement  
sponsored an air passage for him in the light of the  
special circumstances prevailing at the time (your letter  
PD 745 Pt.3 of 9th February, 1944). On the present occasion  
the only reason so far as we are aware that can be adduced  
for Holmes' proposed visit is that the Sheikh has asked him  
to come. While we are of course anxious to meet the  
Sheikh's wish in the matter, this consideration will not  
in our opinion constitute a sufficient reason by itself  
to justify our sponsoring an air passage for Holmes. I  
should be grateful for your observations on the matter,  
and to know whether there are in fact any special  
considerations which the Petroleum Division would think  
to justify an air passage.

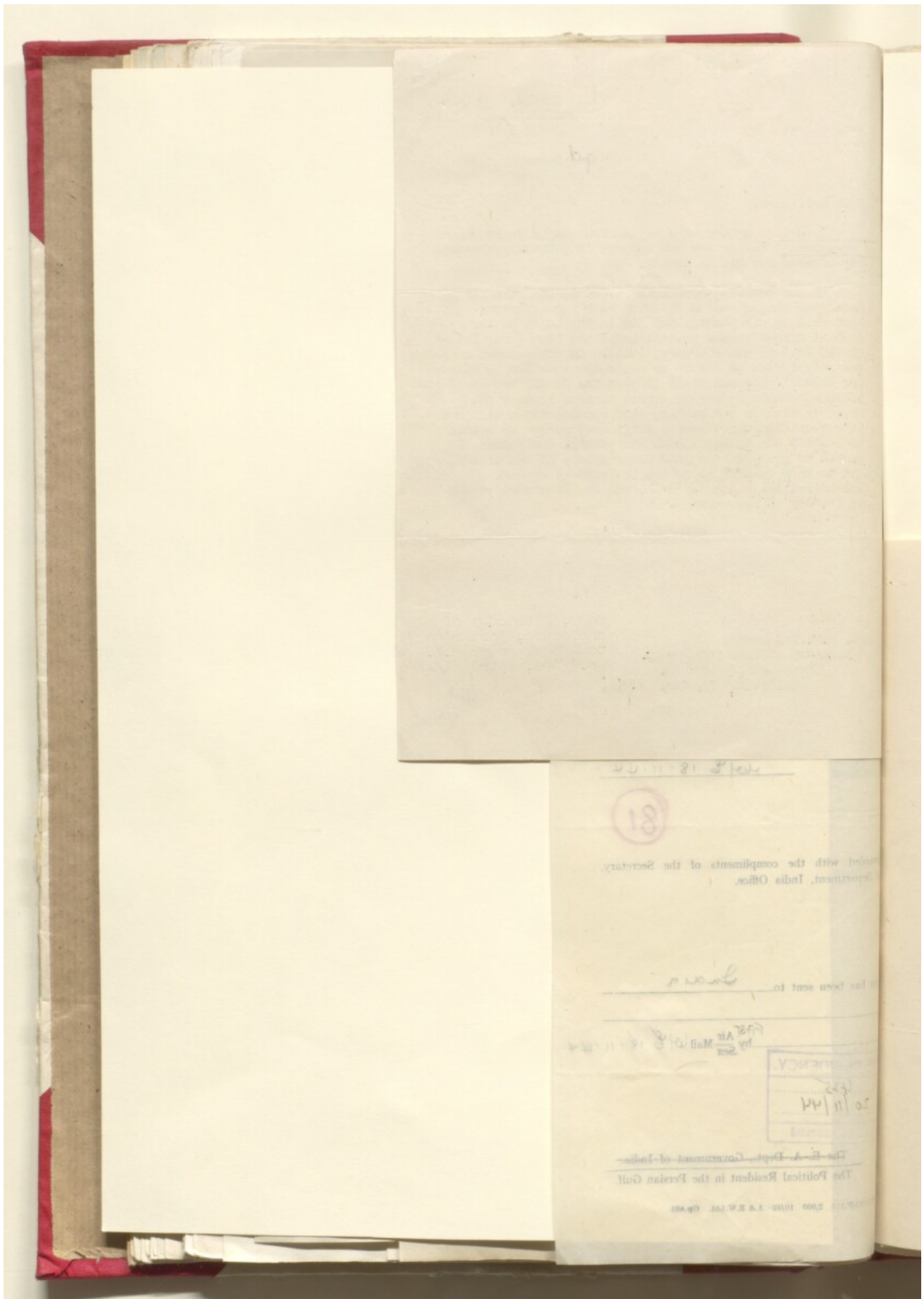
Yours sincerely,

(Sgd.) R. PEEL

Hon. M.R. Bridgeman,  
Ministry of Fuel and Power,  
Dean Stanley Street,  
Millbank, London, S.W.1.

Copy, with copy of  
enclosure, forwarded  
to KUWAIT under P.L.  
No.C/504, dated 21/11/44.

ms  
21/11/44.







122  
Millhill,  
Sandon,  
Near Chelmsford,  
Essex.

1st November, 1944.

The Under Secretary of State,  
India Office,  
Whitehall, S.W.1.

For the attention of Mr F.A.K. Harrison

Sir,

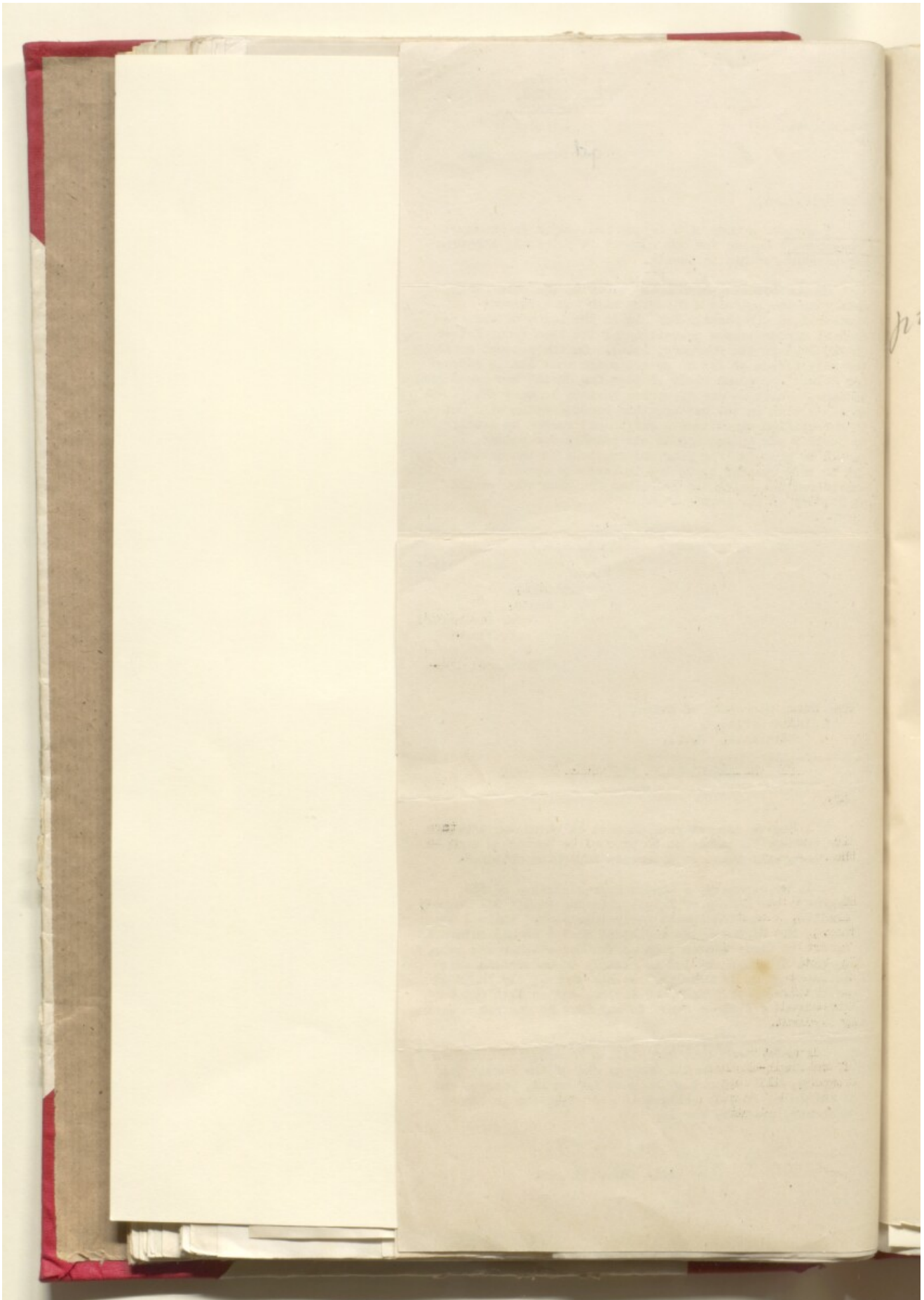
I beg to request your support in obtaining a return air passage to enable me to proceed to Kuwait as soon as the necessary passport documents have been obtained.

In my capacity as London Representative of His Highness the Shaikh of Kuwait with the Kuwait Oil Company Limited, I visited Kuwait early this year. While I was there, His Highness was insistent that I should return to Kuwait to visit him as soon as the hot weather was over. In fact His Highness led me clearly to understand that he expected me in October. He has repeatedly reminded me of this in airgraphs and cables, and on 17th October I received a further cable to say that he was now awaiting my arrival.

I understand that Sir William Fraser, the Chairman of the Anglo-Iranian Oil Company and of the Kuwait Oil Company, will support my request for an air passage and I should be greatly obliged if you would obtain the necessary priority for me.

I am, etc.,

(Sgd) Frank Holmes.





86/1 (123)

EXPRESS LETTER. SECRET (82)

From Political Agent, Kuwait

To The Political Resident in the Persian Gulf, Bahrain

No. 838 Dated the 19th November, 1944.

Continuation of my telegram No. 786 of 31st October, 1944

2. Further enquiry shows that Patrick gained access to the Kuwait Oil Company's core store in Magwah by asking the Store-keeper for the emergency key kept there in case of fire. Apparently Patrick had been permitted to enter the core store several times by Robinson during Dickson's absence on leave.

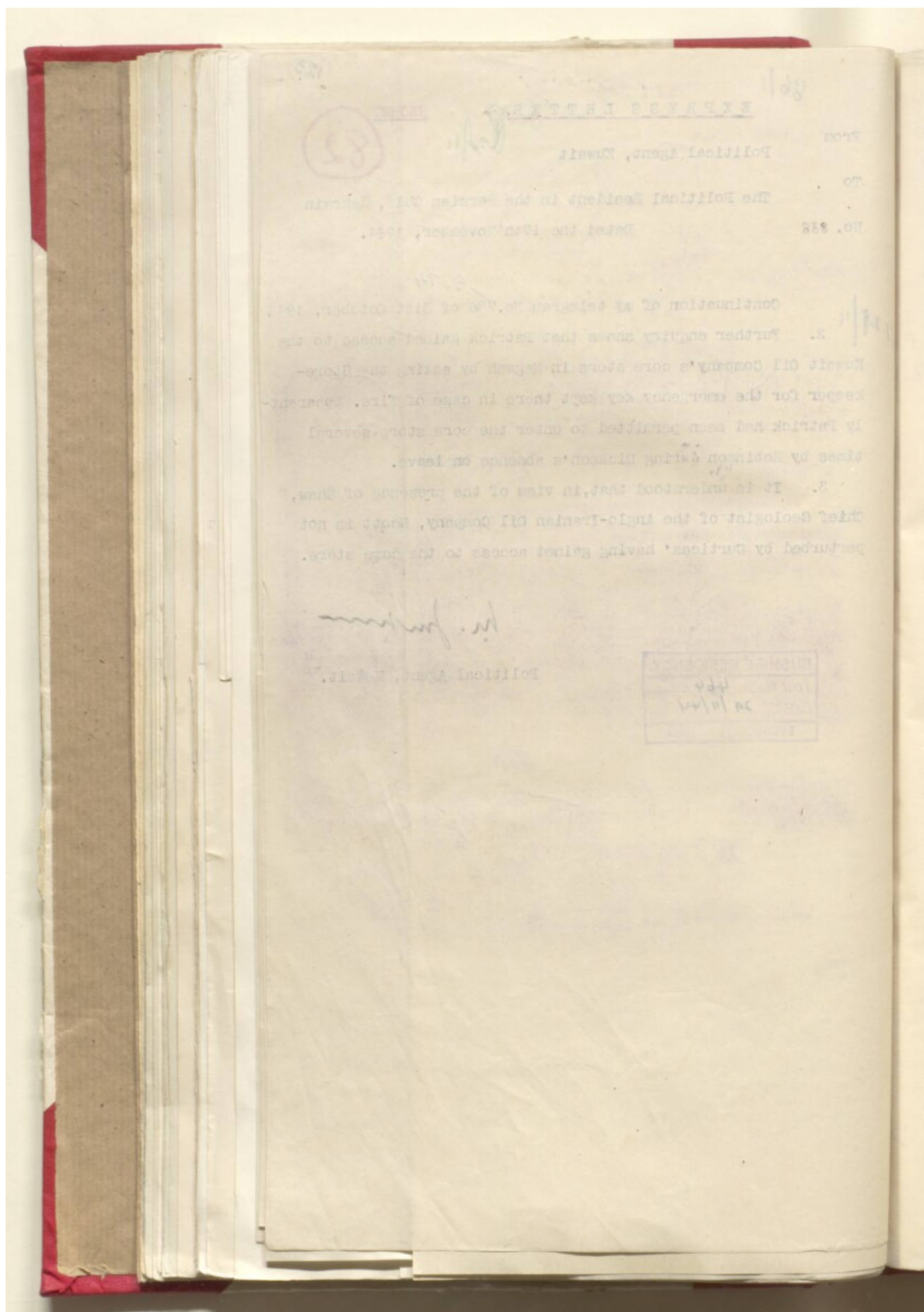
3. It is understood that, in view of the presence of Shaw, Chief Geologist of the Anglo-Iranian Oil Company, Scott is not perturbed by Curtices' having gained access to the core store.

*h. J. ...*

Political Agent, Kuwait.

BUSHIRE RESIDENCY.  
Tour No. 464  
Date 29/11/44  
CONFIDENTIAL RECORDS







86/13 & 86/1.

83

Telegram S(A).

From Political Resident, Bushire.

To H.M. Secretary of State for India, London.

Repeated Government of India, New Delhi.  
H.M. Minister, Jeddah.

No. 2252.

Dated 15th December 1944.

Following from Political Agent Kuwait BEGINS:

There are indications that Ibn Saud will shortly be making a trip to GAISUN 150 miles south east of Kuwait near to WADI HAFAR and it is rumoured that His Highness will meet him there, and that His Highness will be accompanied by a European whose arrival His Highness is awaiting.

2. Abdullah al Khalifa of Bahrain is reported already in GAISUN.

3. Comment: His Highness who was impatient to commence hawking immediately after Id and then immediately after your visit changed his mind soon after Holmes telegraphed that he would be arriving shortly. His Highness is still in Kuwait and Holmes' interpreter has already arrived. ENDS.

2. When in Kuwait I asked Shaikh whether he had in fact pressed for Holmes to come out as latter had used his name in applying for passages. Shaikh assured me that he had not asked for Holmes' visit and added that if he had wanted him he would certainly have let us know as he had no secrets from me. He said he thought Holmes was after the Neutral Zone and reiterated that he had no intention of giving his share to anybody and that his heart was "quite white" i.e. that he was sincere in his protestations.

- PRIOR -

CONFIDENTIAL.  
No. 915-S.

British Residency & Consulate-General,  
Bushire, the 16th December 1944.

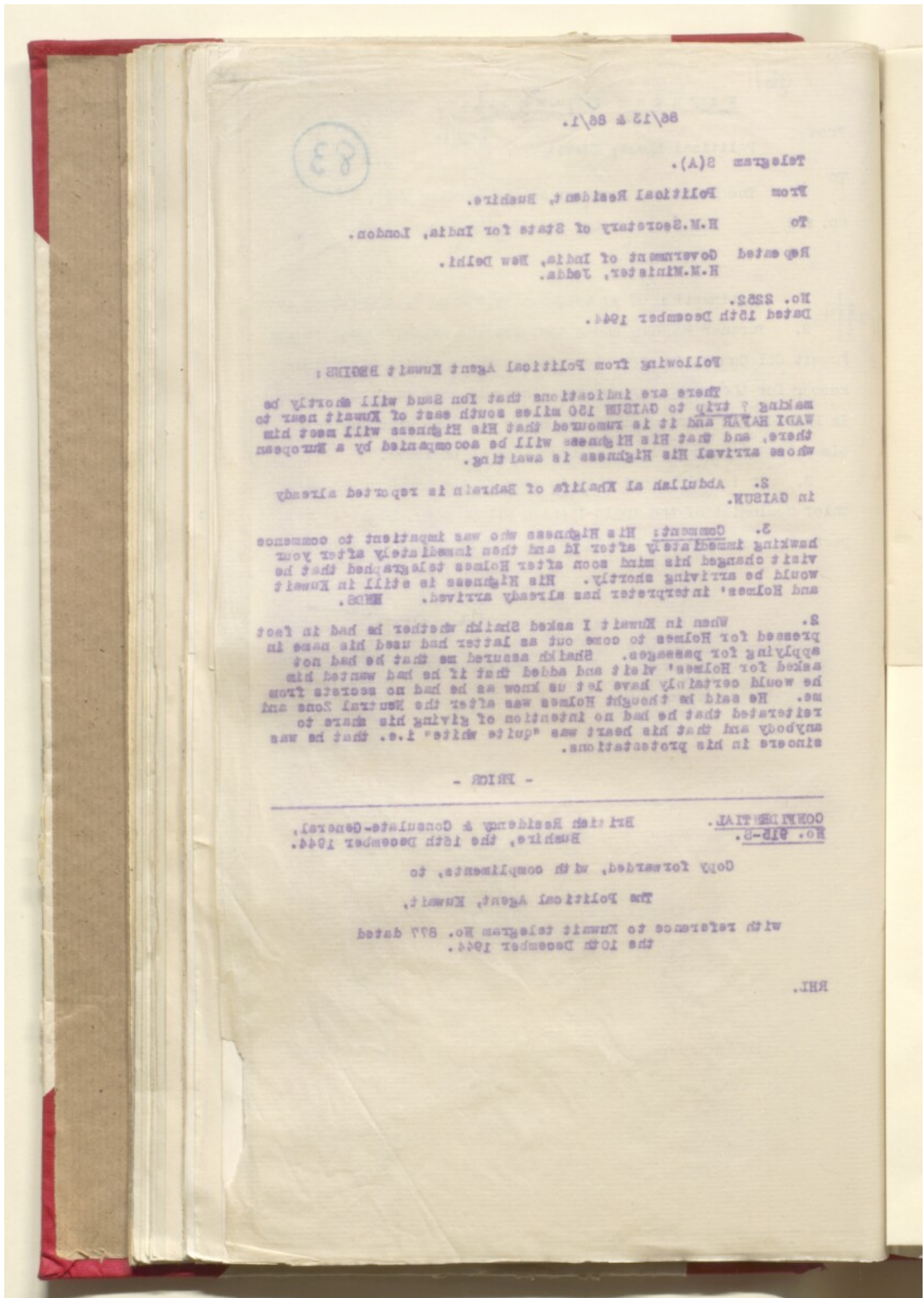
Copy forwarded, with compliments, to

The Political Agent, Kuwait,

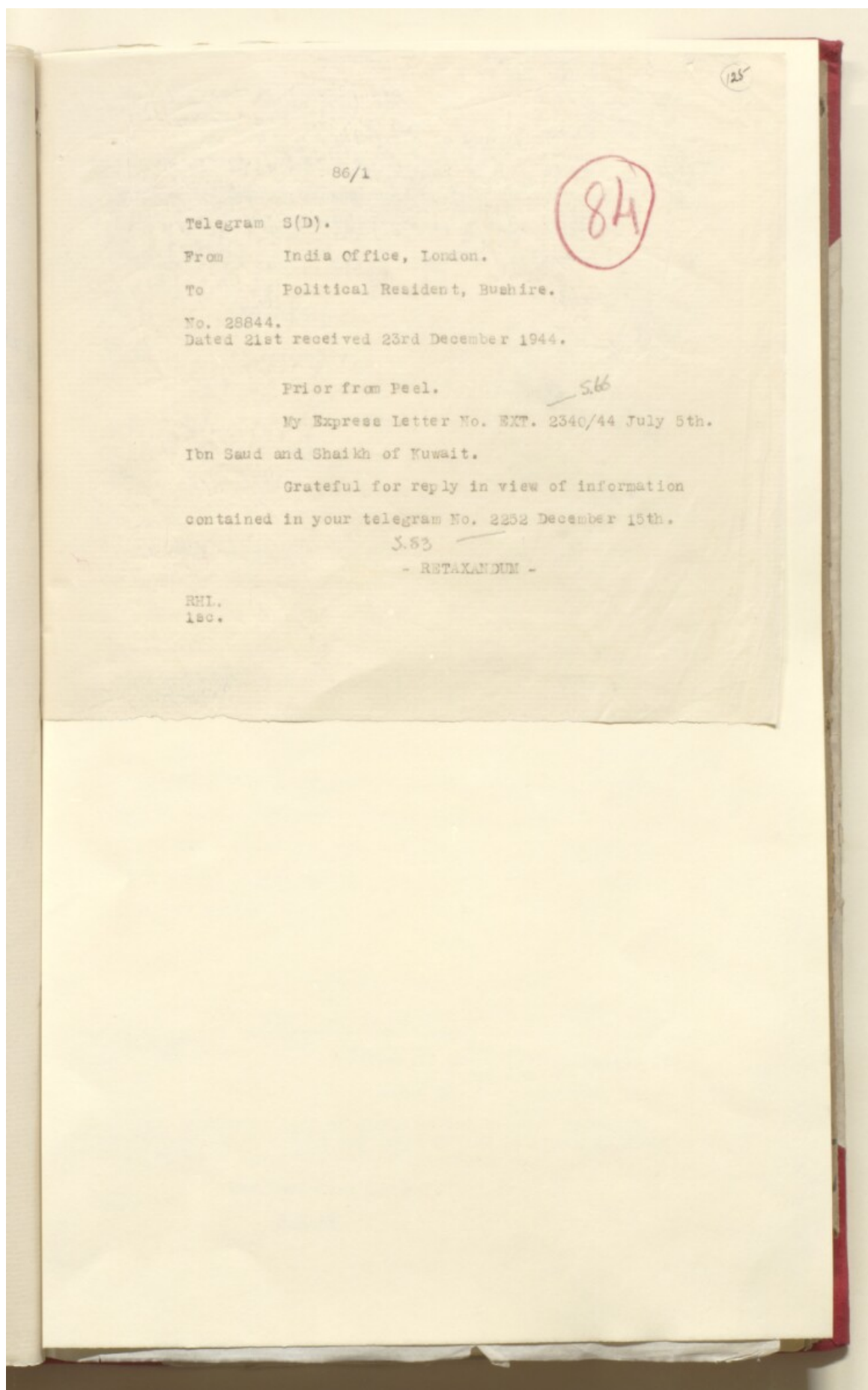
with reference to Kuwait telegram No. 877 dated  
the 10th December 1944.

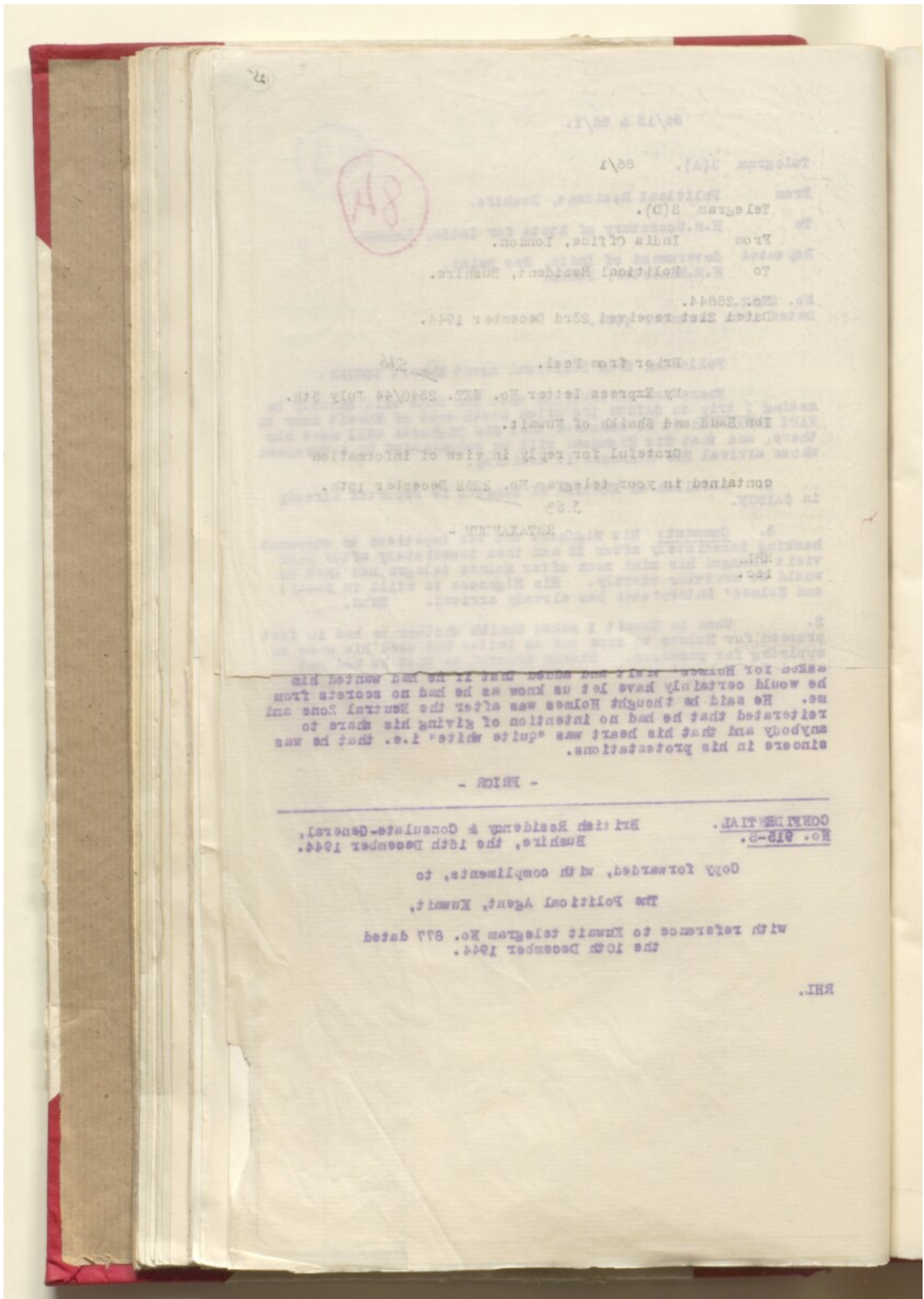
RHL.













80/1

126.

Telegram S(Pad).  
From Political Resident, Persian Gulf.  
To Secretary of State for India, London.  
Repeated to Government of India, New Delhi  
No.2322.  
Dated the 28th December, 1944.

GUARD.

Peel from Prior repeated to Caroe.  
Your telegram No.28844 December 21st.

Ibn Saud and Shaikh of Kuwait.

2. I think you are aware that we do not see Ibn Saud through quite the same rose coloured spectacles as Foreign Office. While under obligation to and professing deepest affection for Kuwait he did his best to strangle her, and while owing his throne largely to our subsidies he gave only valuable concession to competitors. Recent action over Dhahran wireless has shown that he does not like his friendship to cost him anything.

3. Ibn Saud's Syrian advisers do not act independently and I saw nothing surprising in remarks attributed to King. Unfortunately my time in Kuwait was very limited and I could not broach topic again but Jackson to whom I showed papers thinks (without any evidence) that Holmes was behind it.

LB.

- PRIOR -

CONFIDENTIAL  
No.956-S.

Office of the Political Resident,  
Persian Gulf.  
Dated the 28th December, 1944

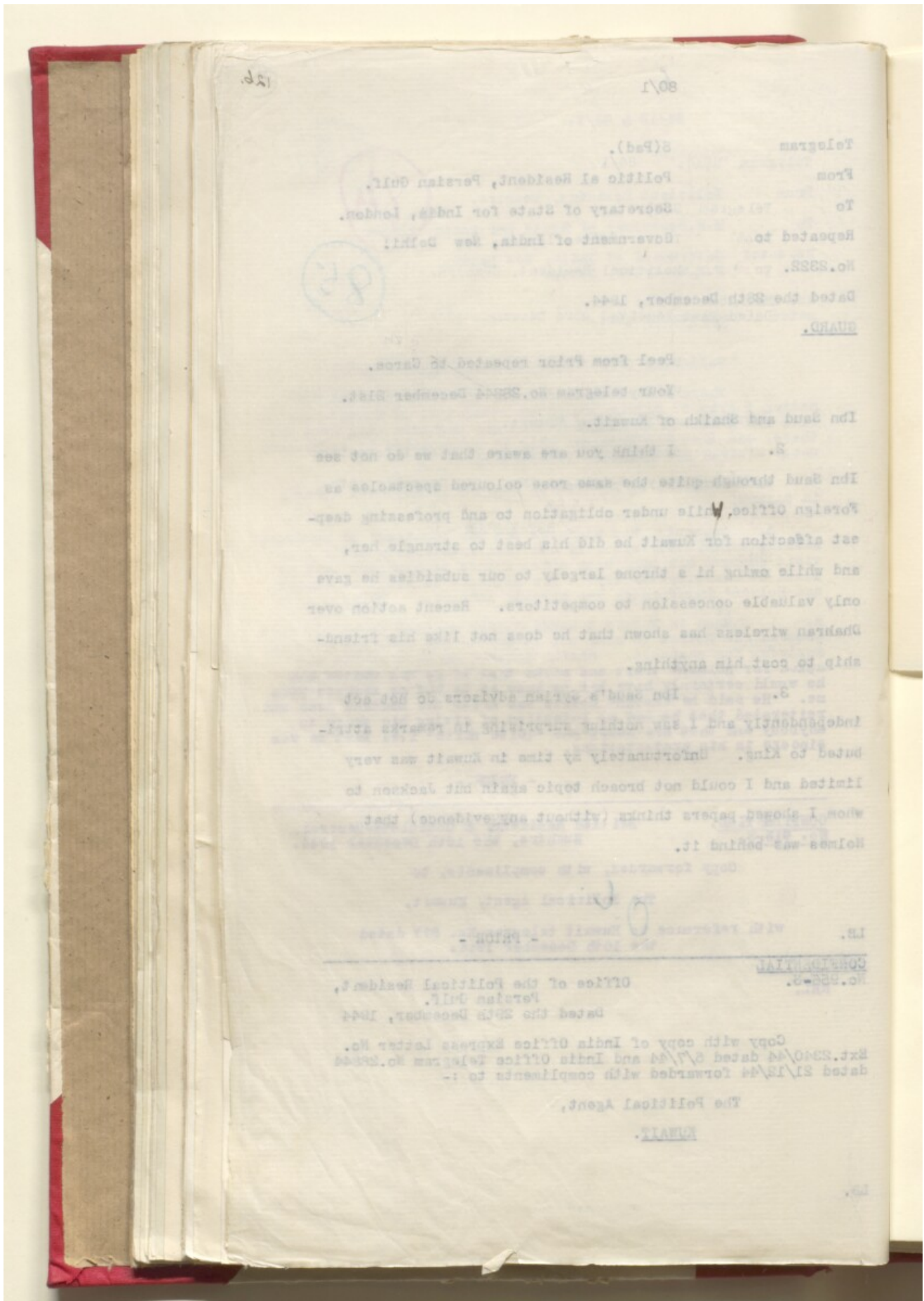
Copy with copy of India Office Express Letter No. Ext.2340/44 dated 5/7/44 and India Office Telegram No.28844 dated 21/12/44 forwarded with compliments to :-

The Political Agent,

KUWAIT.

LB.







✓  
86/13 & 86/1.

(86)

Telegram S(Pad).  
From Political Resident, Bushire.  
To Secretary of State for India, London.  
Repeated Government of India, New Delhi.  
No. 2321.  
Dated 29th December 1944.

My telegram 2252 December 15th.

2. Holmes arrived Kuwait December 23rd.

- PRIOR -

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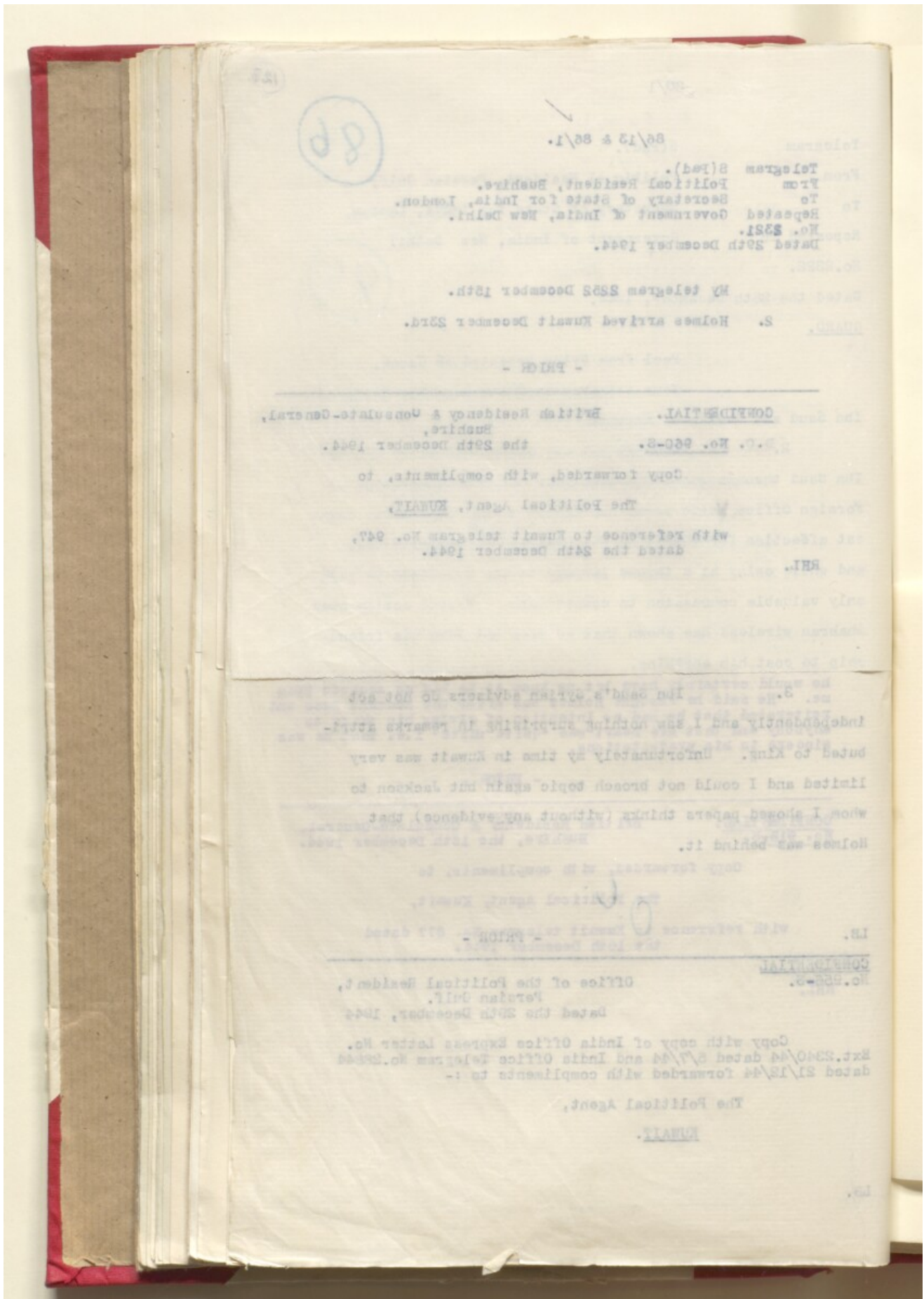
CONFIDENTIAL. British Residency & Consulate-General,  
Bushire,  
D.O. No. 960-S. the 29th December 1944.

Copy forwarded, with compliments, to

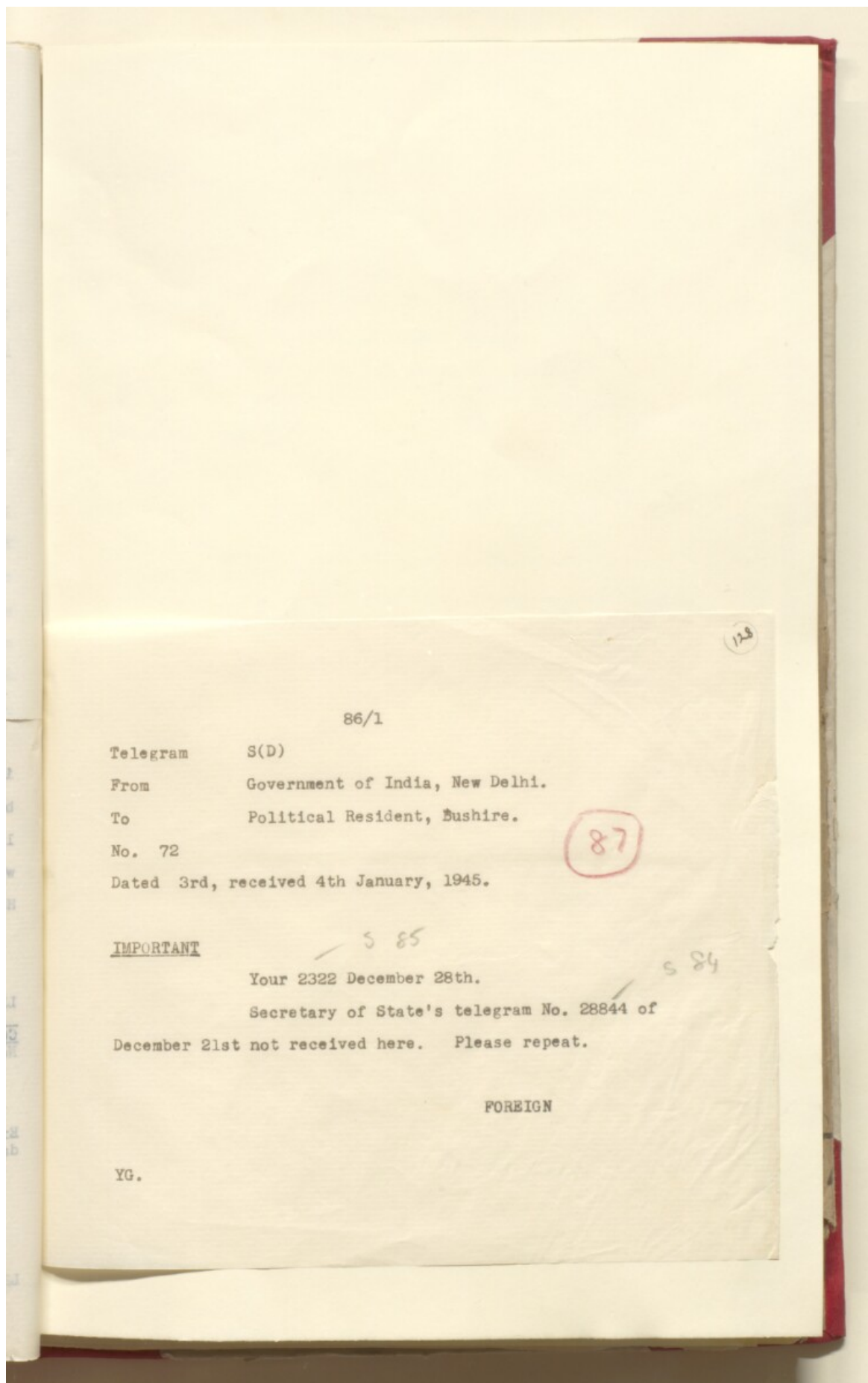
The Political Agent, KUWAIT,

with reference to Kuwait telegram No. 947,  
dated the 24th December 1944.

RHL.







86/1

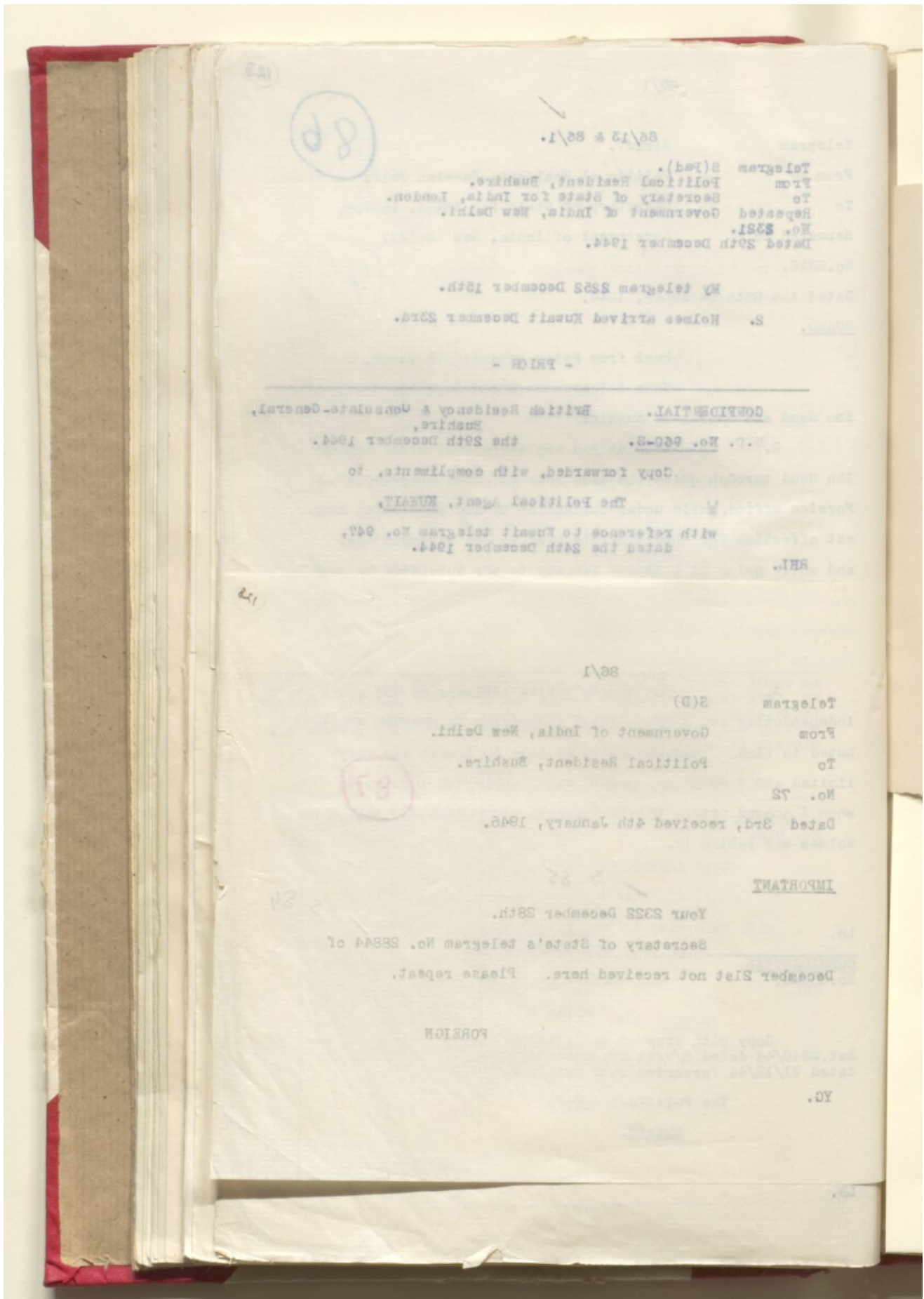
Telegram S(D)  
From Government of India, New Delhi.  
To Political Resident, Bushire.  
No. 72  
Dated 3rd, received 4th January, 1945.

IMPORTANT

5 85  
Your 2322 December 28th.  
Secretary of State's telegram No. 28844 of  
December 21st not received here. Please repeat.

FOREIGN

YG.





86/1

129

Telegram S(Pad - 2-way )  
From Political Resident, Bushire.  
To Government of India, New Delhi.  
No. 25  
Dated 4th January, 1945.

88

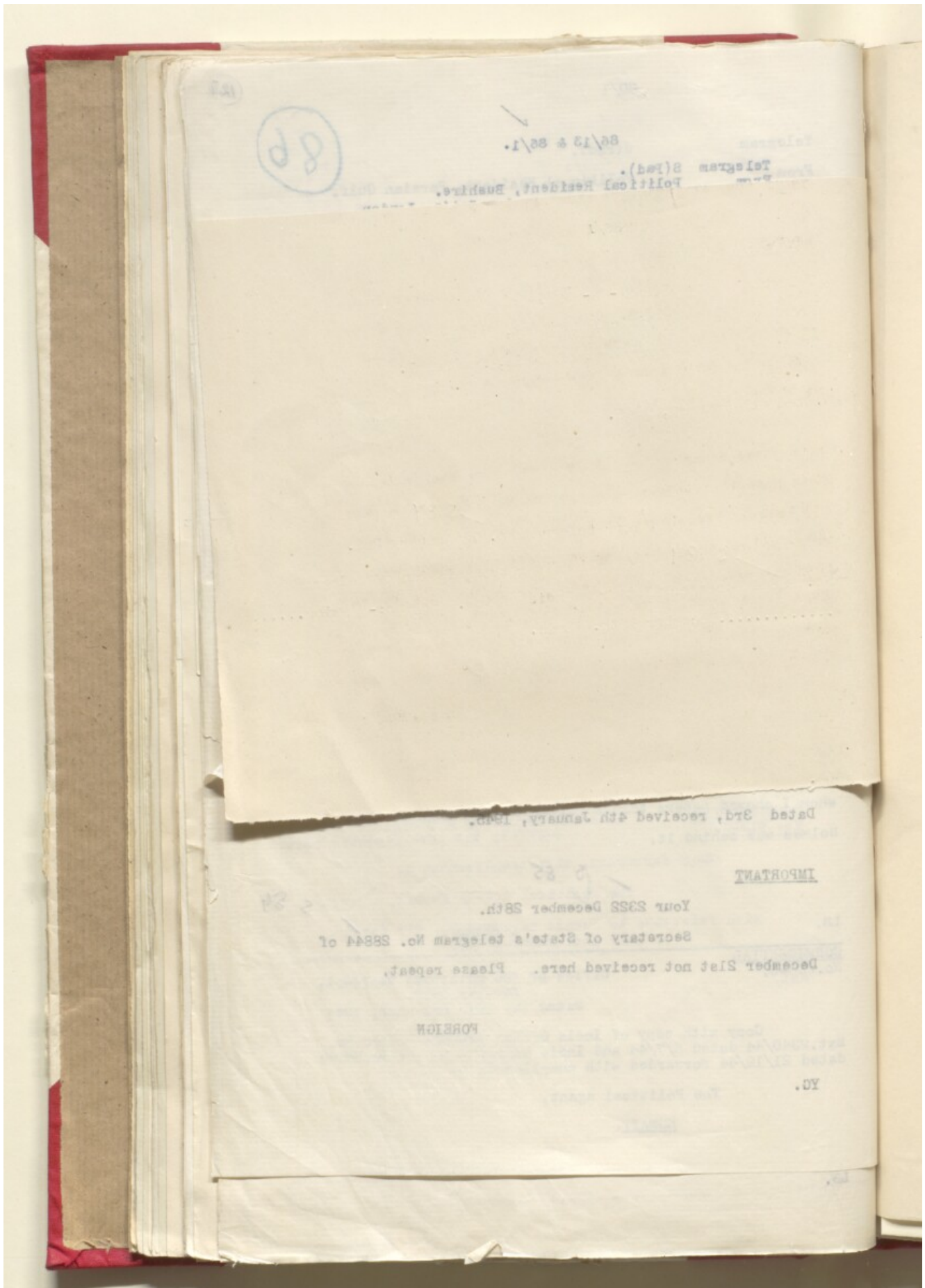
S.87  
Your telegram No. 72 January 3rd.

S.84  
Following is retransmission of telegram  
No. 28844 December 21st from India Office. Begins:- Prior.....  
.....December 15th. Ends.

PRIOR

DLG.







86/13 & 86/1  
Telegram S(Pad)  
From India Office, London.  
To Political Resident, Bushire.  
Repeated Government of India, New Delhi.  
Political Agent, Kuwait.  
No. 408  
Dated 6th, received 9th January, 1945.

SECRET

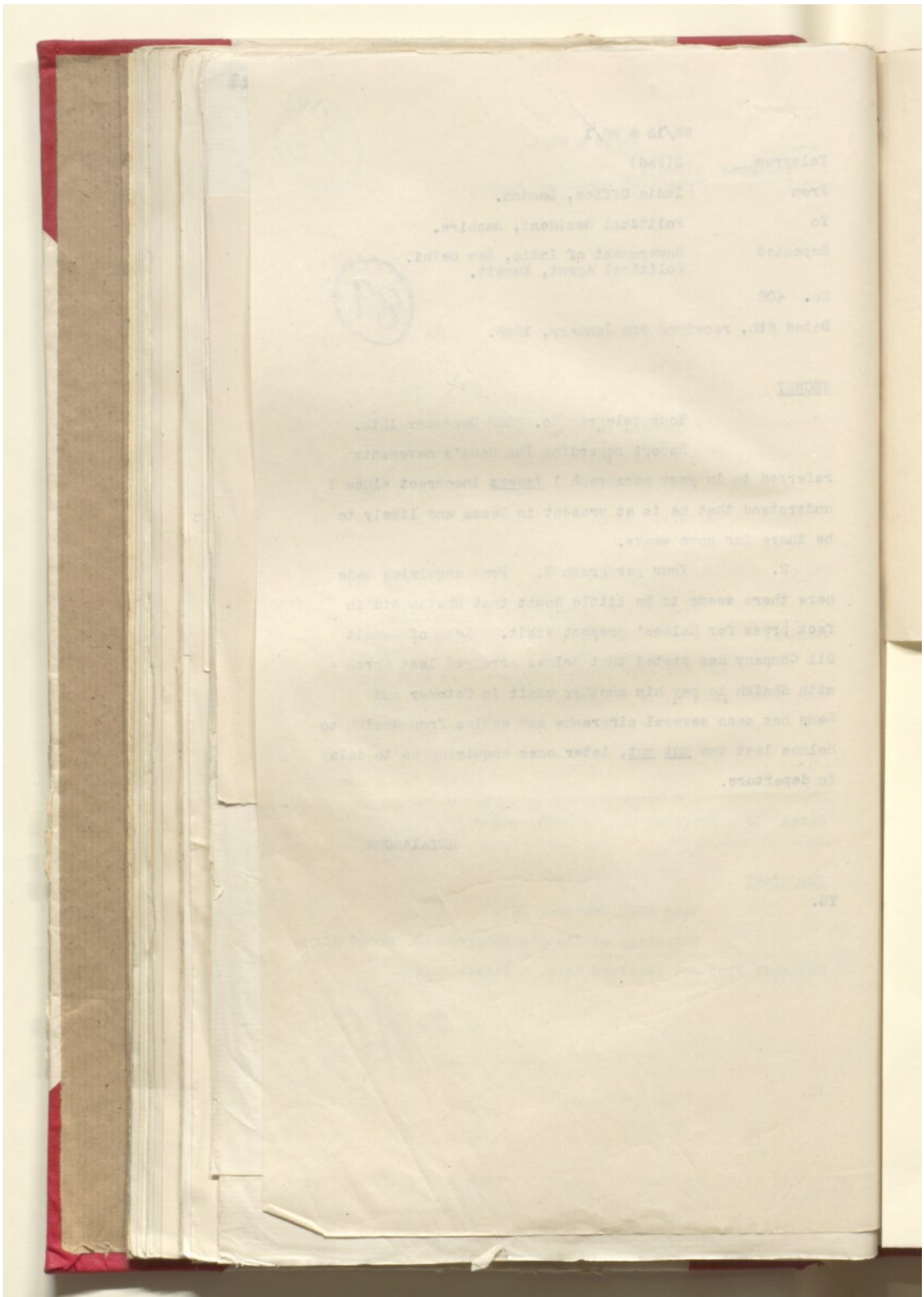
3.23.  
Your telegram No. 2252 December 15th.

Report regarding Ibn Saud's movements referred to in your paragraph 1 ~~is~~ seems incorrect since I understand that he is at present in Mecca and likely to be there for some weeks.

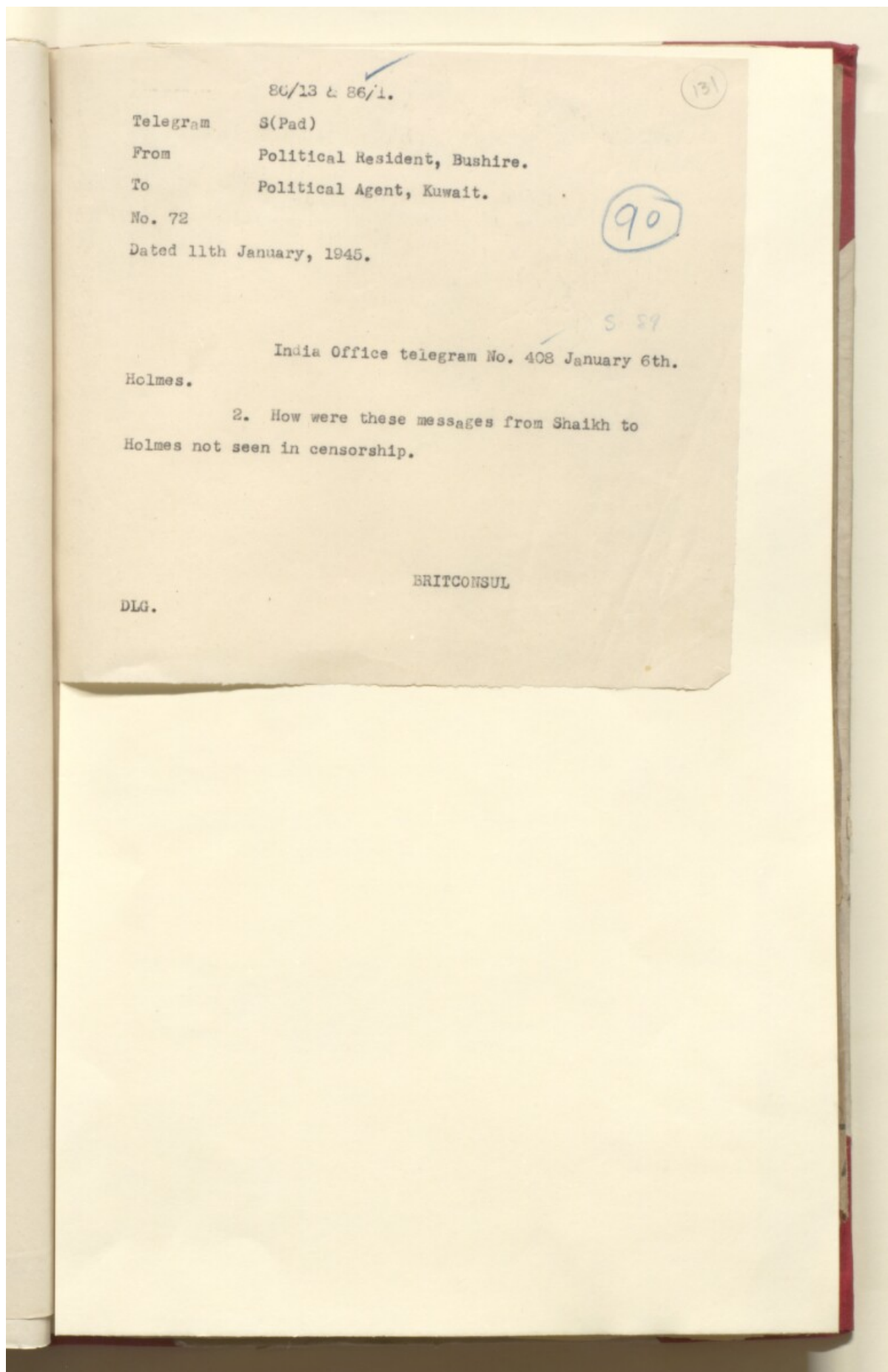
2. Your paragraph 2. From enquiries made here there seems to be little doubt that Shaikh did in fact press for Holmes' present visit. Kemp of Kuwait Oil Company has stated that Holmes arranged last March with Shaikh to pay him another visit in October and Kemp has seen several aifgraphs and cables from Shaikh to Holmes last two ~~mut mut~~, later ones enquiring as to delay in departure.

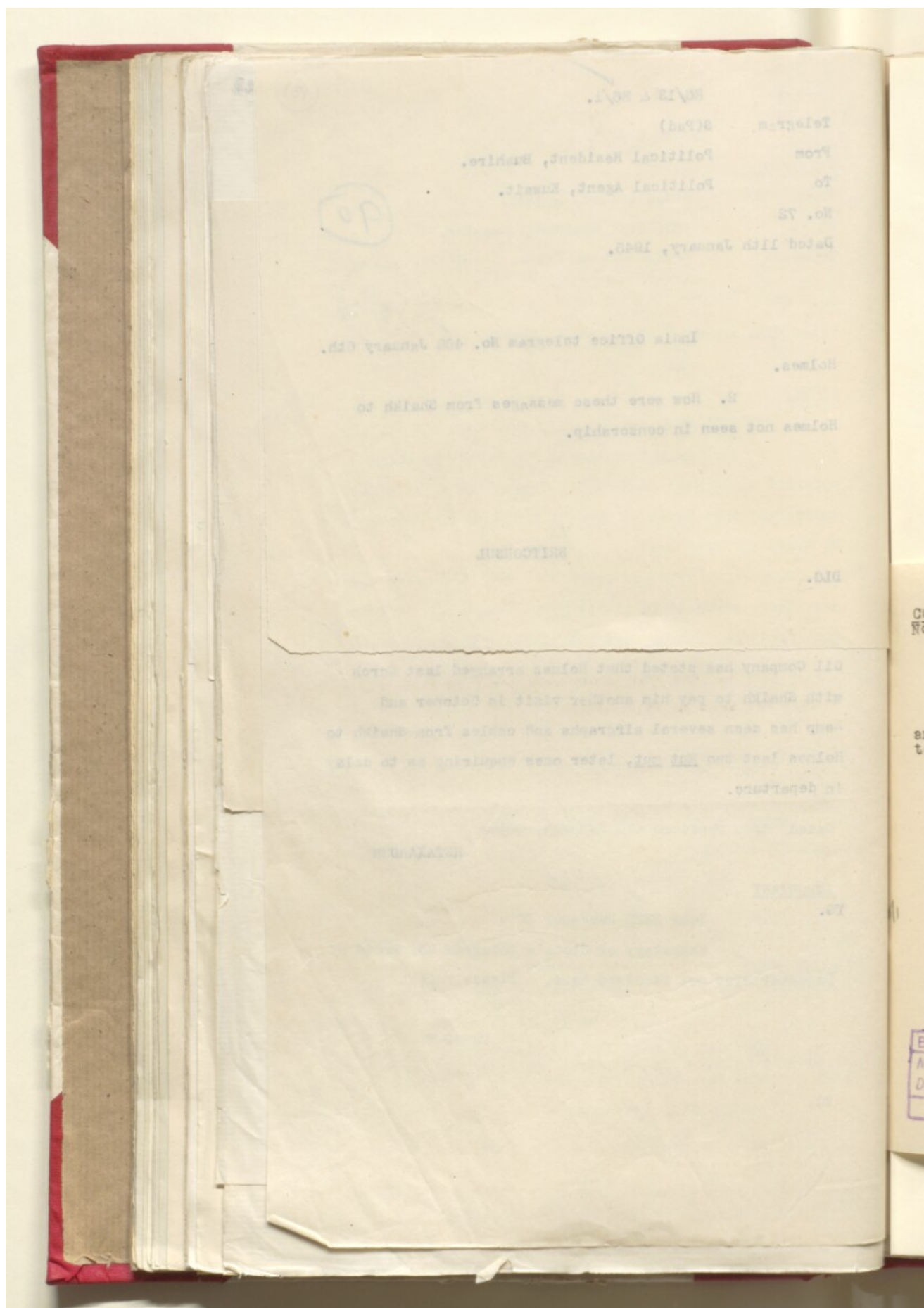
RETAXANDUM

YG.











CONFIDENTIAL.  
No. C/89-31/5-C

86/1 Bush

132

The Political Agent at Kuwait presents his compliments to

The Hon'ble the Political Resident in the  
Persian Gulf, Bushire.

and has the honour to transmit to him, three copies of intercepted  
telegrams.

POLITICAL AGENCY, KUWAIT Dated the 28th January, 1945.

REFERENCE TO PREVIOUS CORRESPONDENCE.

91

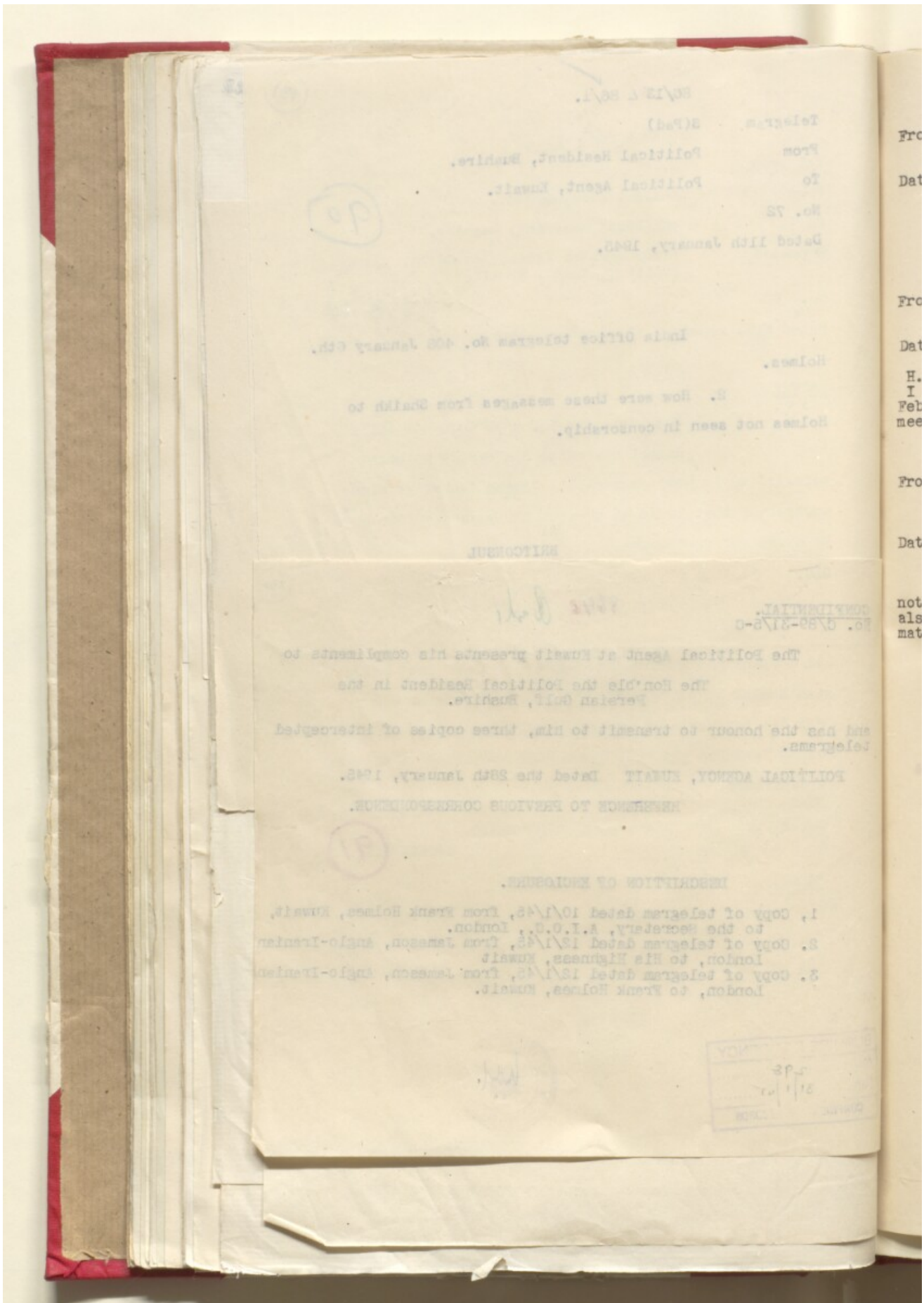
DESCRIPTION OF ENCLOSURE.

1. Copy of telegram dated 10/1/45, from Frank Holmes, Kuwait,  
to the Secretary, A.I.O.C., London.
2. Copy of telegram dated 12/1/45, from Jameson, Anglo-Iranian  
London, to His Highness, Kuwait
3. Copy of telegram dated 12/1/45, from Jameson, Anglo-Iranian  
London, to Frank Holmes, Kuwait.

BUSHIRE POLITICAL AGENCY.  
No. 298  
Date 31/1/45  
CONFIDENTIAL RECORDS









TRUE COPIES.

From Frank Holmes, Kuwait To. The Secretary, Anglo-Iranian Oil  
Company, London.

Dated 10th January, 1945.

His Highness frequently enquires when party expects arrive  
Kuwait. Kindly cable him.

From. Jameson, Anglo-Iranian, London To. His Highness the Ruler  
of Kuwait.

Dated 12th January, 1945.

H.H. Shaikh Etc., Many thanks for your enquires regarding my visit.  
I am unfortunately delayed and do not expect to leave before mid-  
February. I am greatly looking forward to being in Kuwait and  
meeting Your Highness and shall hope to find you in excellent health.

From. Jameson, Anglo-Iranian, London To. Major Frank Holmes,  
Kuwait

Dated 12th January, 1945.

Many thanks your telegram have telegraphed H.H., Shaikh  
notifying unavoidable delay in departure until mid-February. Have  
also telegraphed Scott that I will deal with any outstanding  
matters personally.

View on the Qatar Digital Library: [http://www.qdl.qa/en/archive/81055/vdc\\_100023614899.0x000043](http://www.qdl.qa/en/archive/81055/vdc_100023614899.0x000043)





86/1

Telegram En Clair.  
From Jameson Abadan.  
To Sir Geoffrey Prior, Bushire.  
Dated and received 14th February 1945.  
URGENT.

(92)

Have just arrived from London am most anxious  
see you earliest regarding Kuwait affairs particularly  
reference our talk last Spring. Could you suggest  
convenient place and date.

JAMESON.

Telegram En Clair.  
From Political Resident, Bushire.  
To Jameson Angliran Abadan.  
Dated 14th February 1945.

(93)

IMMEDIATE.

I shall be here till midday sixteenth and  
then at Bahrain till early eighteenth. If aerodrome  
is serviceable (and I will wire condition first thing  
tomorrow) suggest you fly here tomorrow or early Friday.  
Delighted see you.

PRIOR.

Telegram En Clair.  
From Jameson Abadan.  
To Sir Geoffrey Prior, Political Resident, Bushire.  
Dated and received 14th February 1945.

(94)

URGENT.

Will fly Bushire 15th provided you confirm  
aerodrome is serviceable.

JAMESON.

Telegram En Clair.  
From Political Resident, Bushire.  
To Jameson Angliran Abadan.  
Dated 15th February 1945.

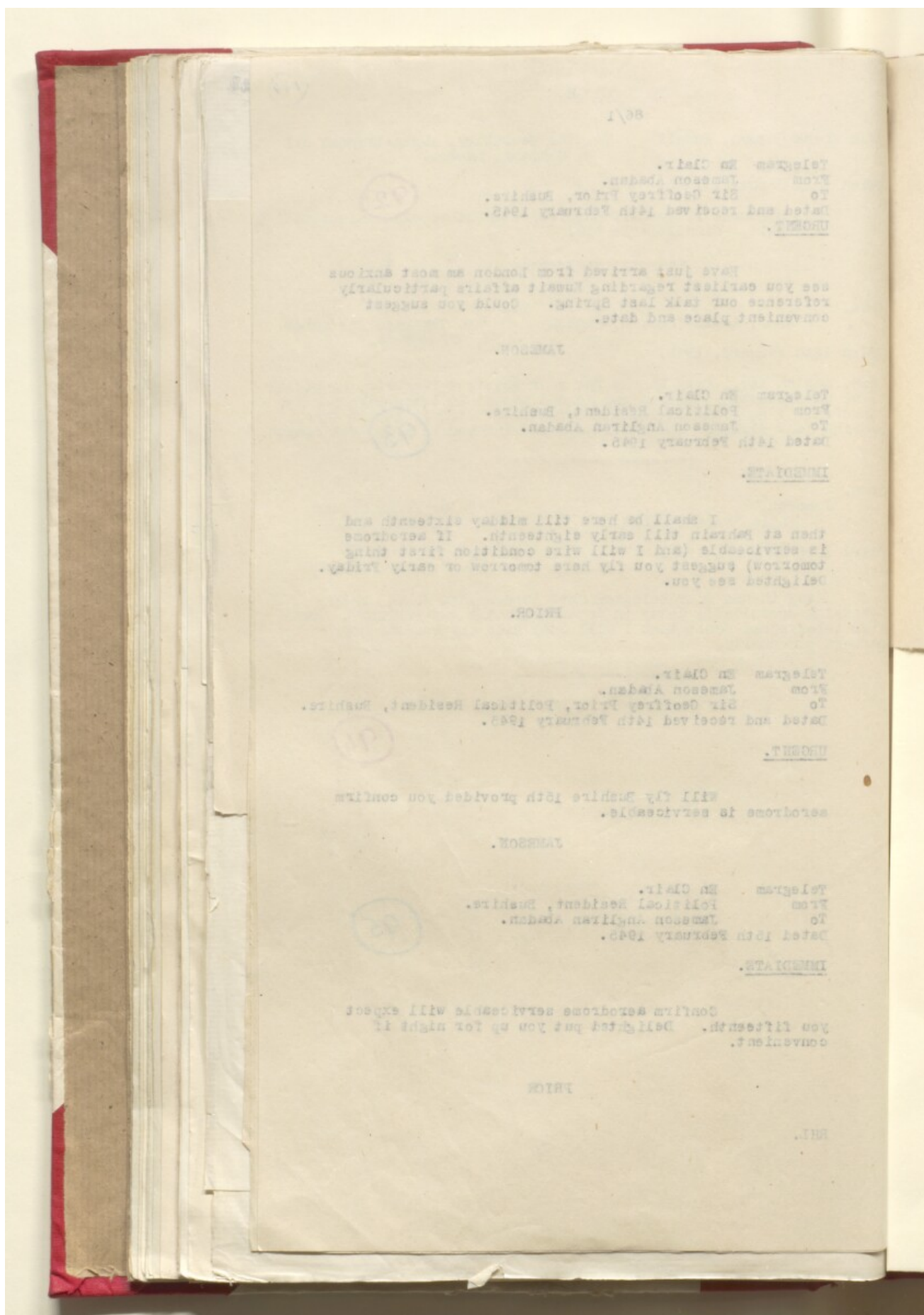
(95)

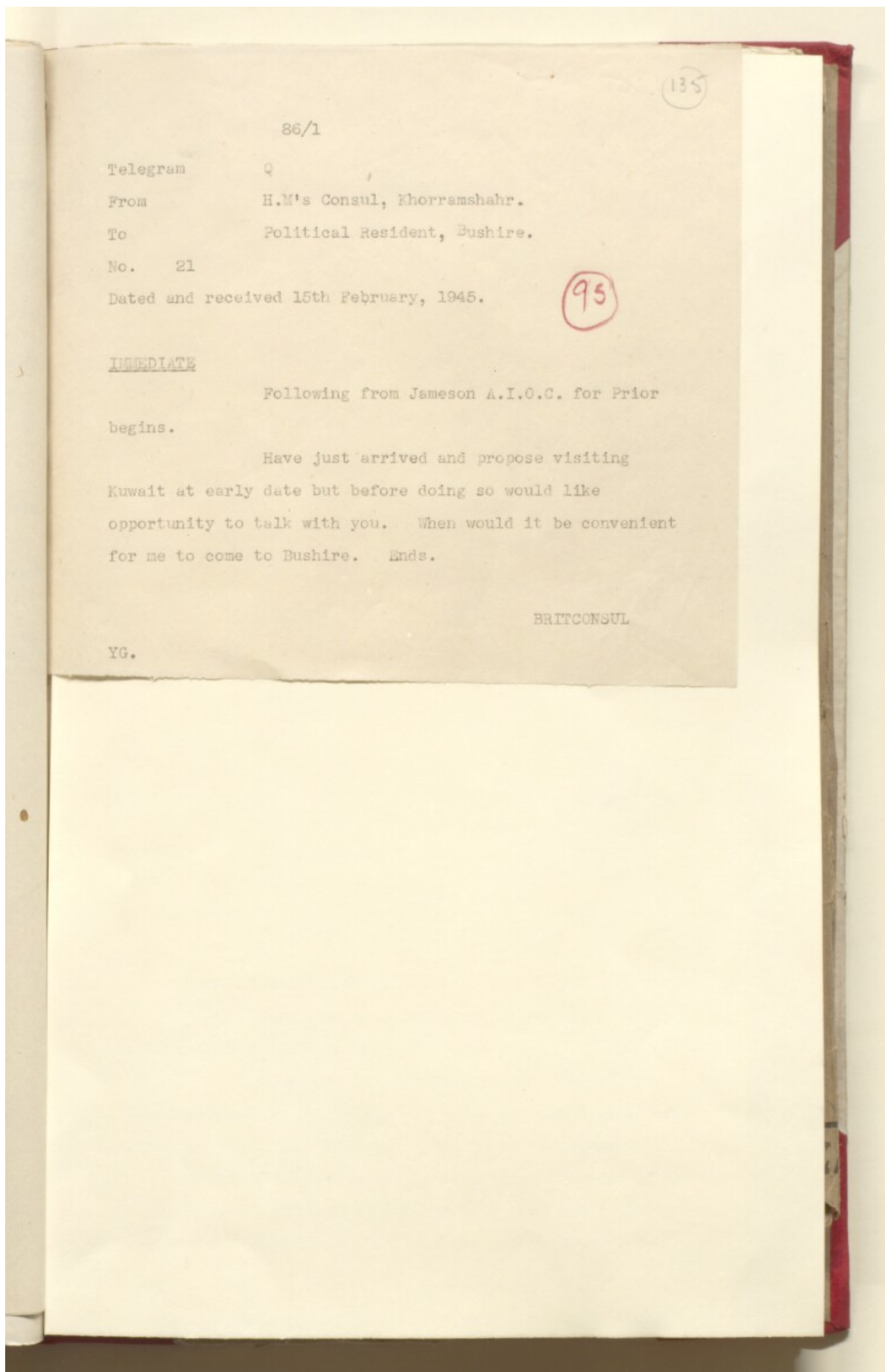
IMMEDIATE.

Confirm aerodrome serviceable will expect  
you fifteenth. Delighted put you up for night if  
convenient.

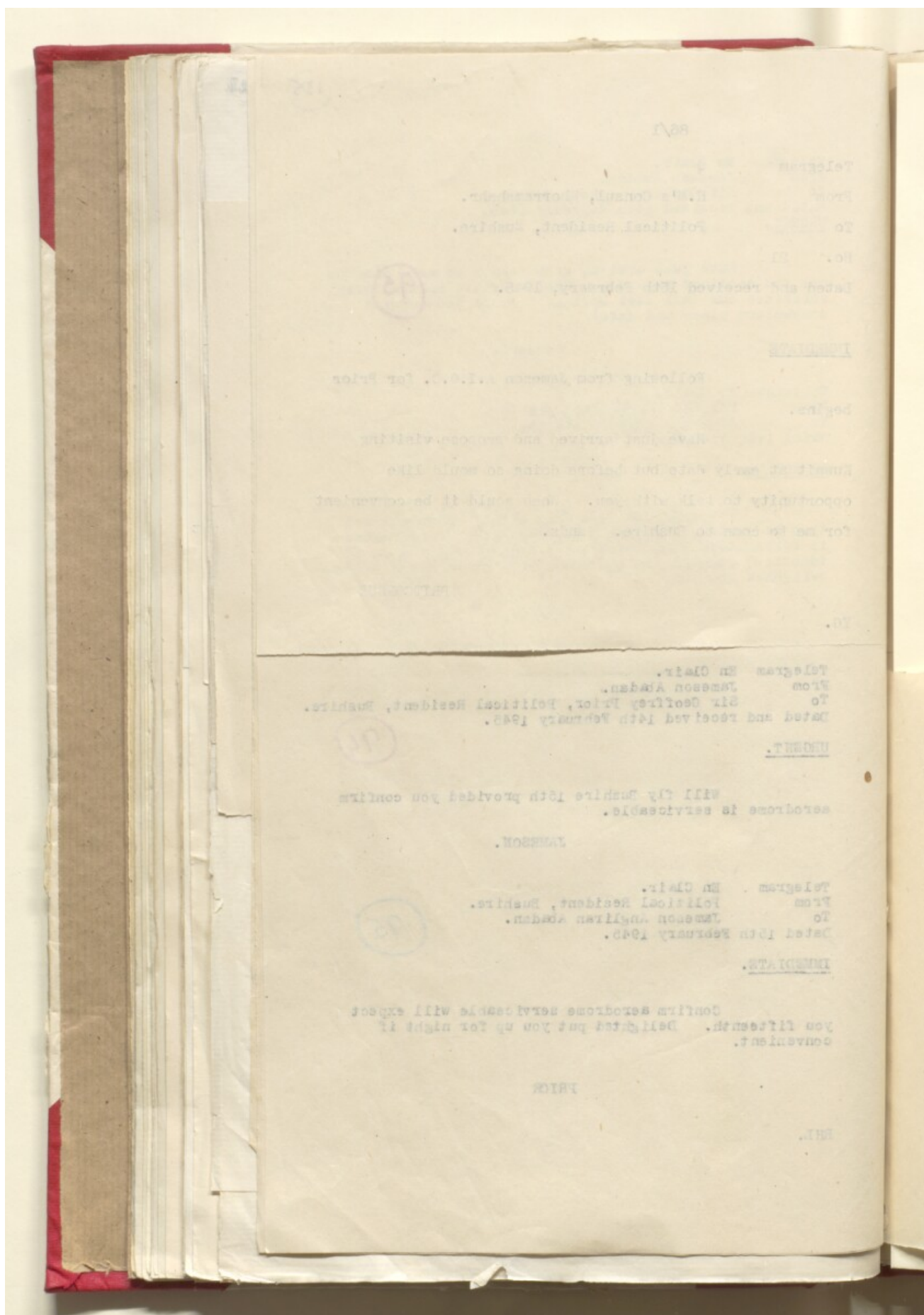
PRIOR

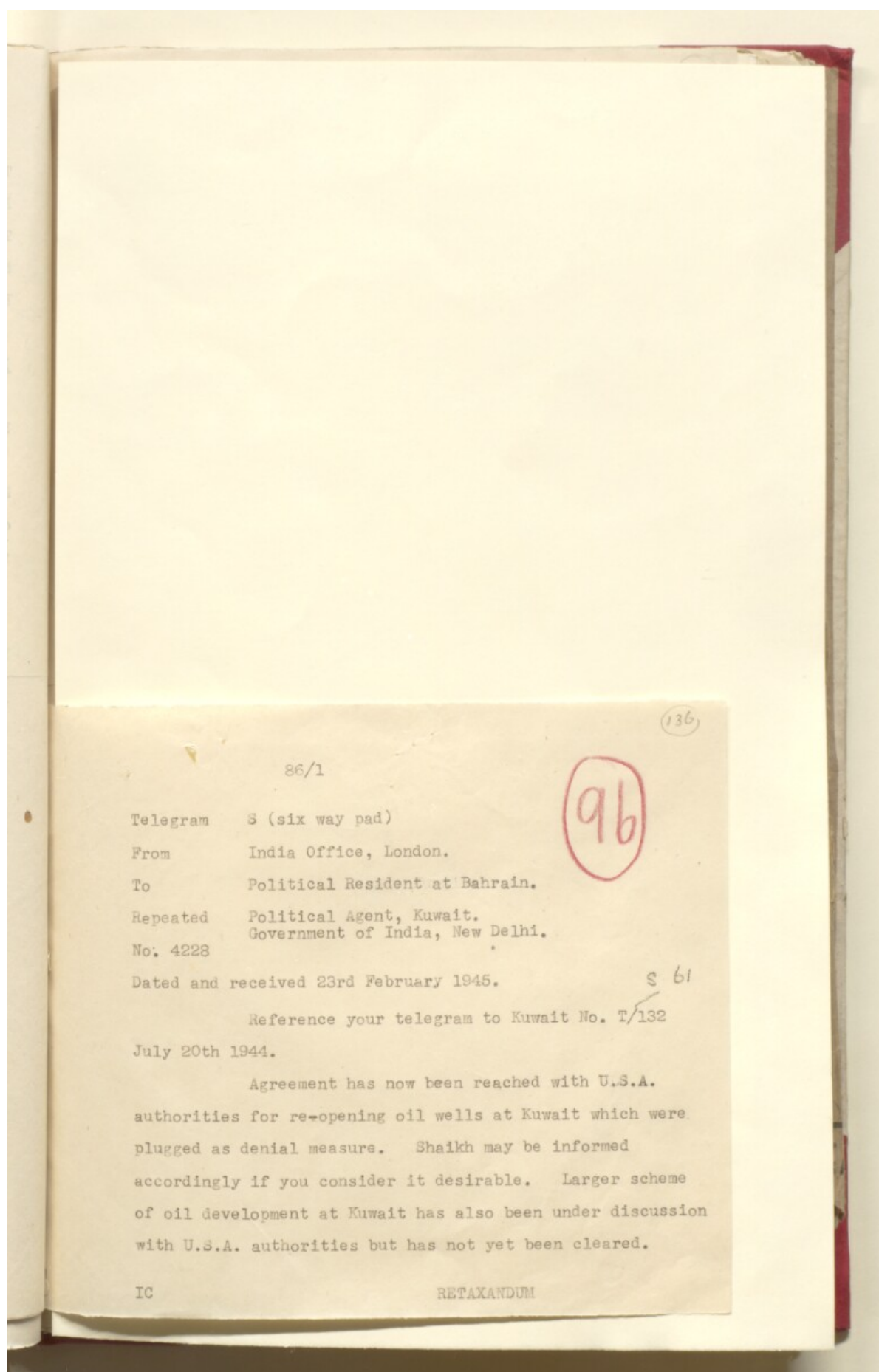
RHL.











86/1

Telegram S (six way pad)

From India Office, London.

To Political Resident at Bahrain.

Repeated Political Agent, Kuwait.

No. 4228 Government of India, New Delhi.

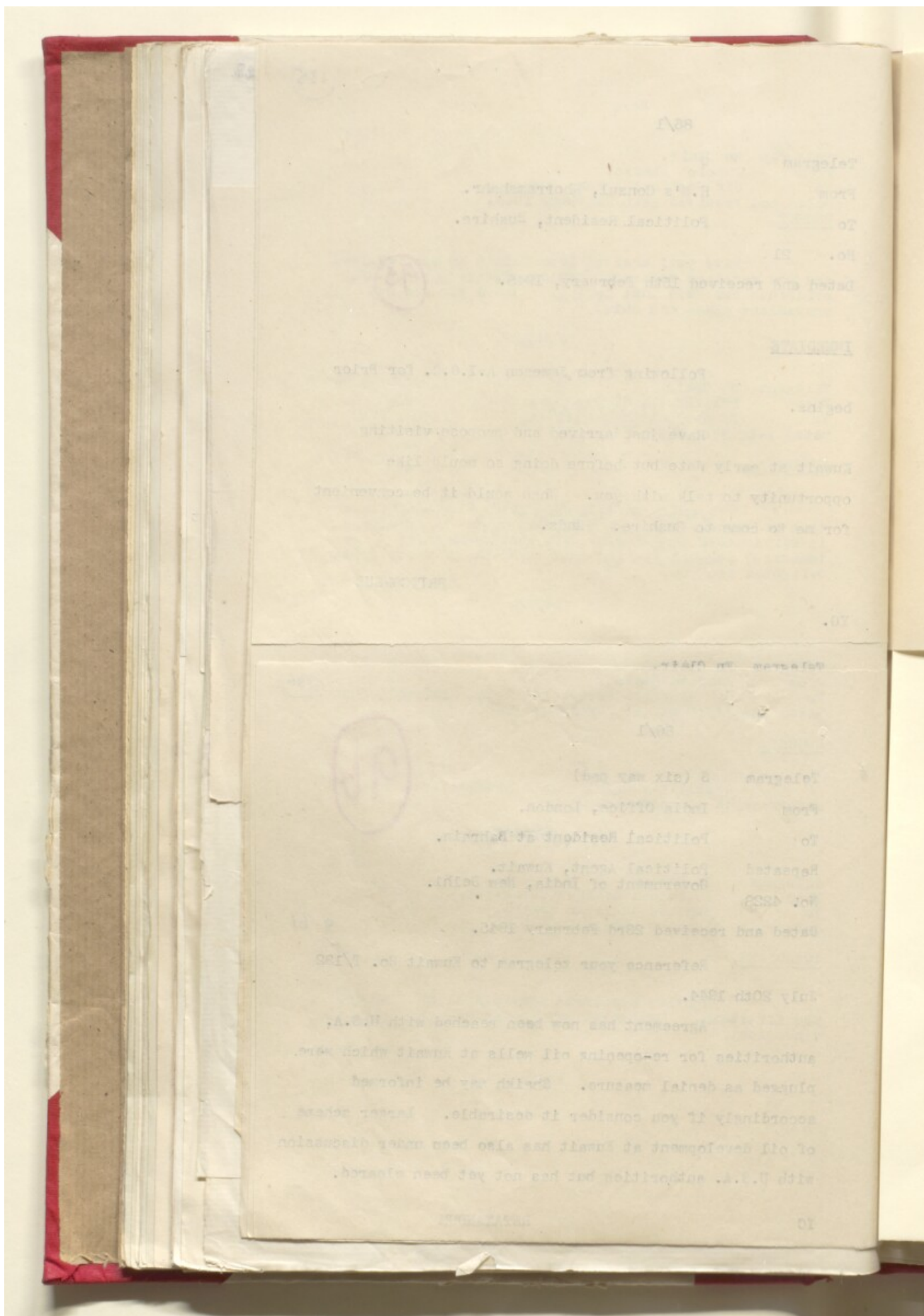
Dated and received 23rd February 1945. S 61

Reference your telegram to Kuwait No. T/132

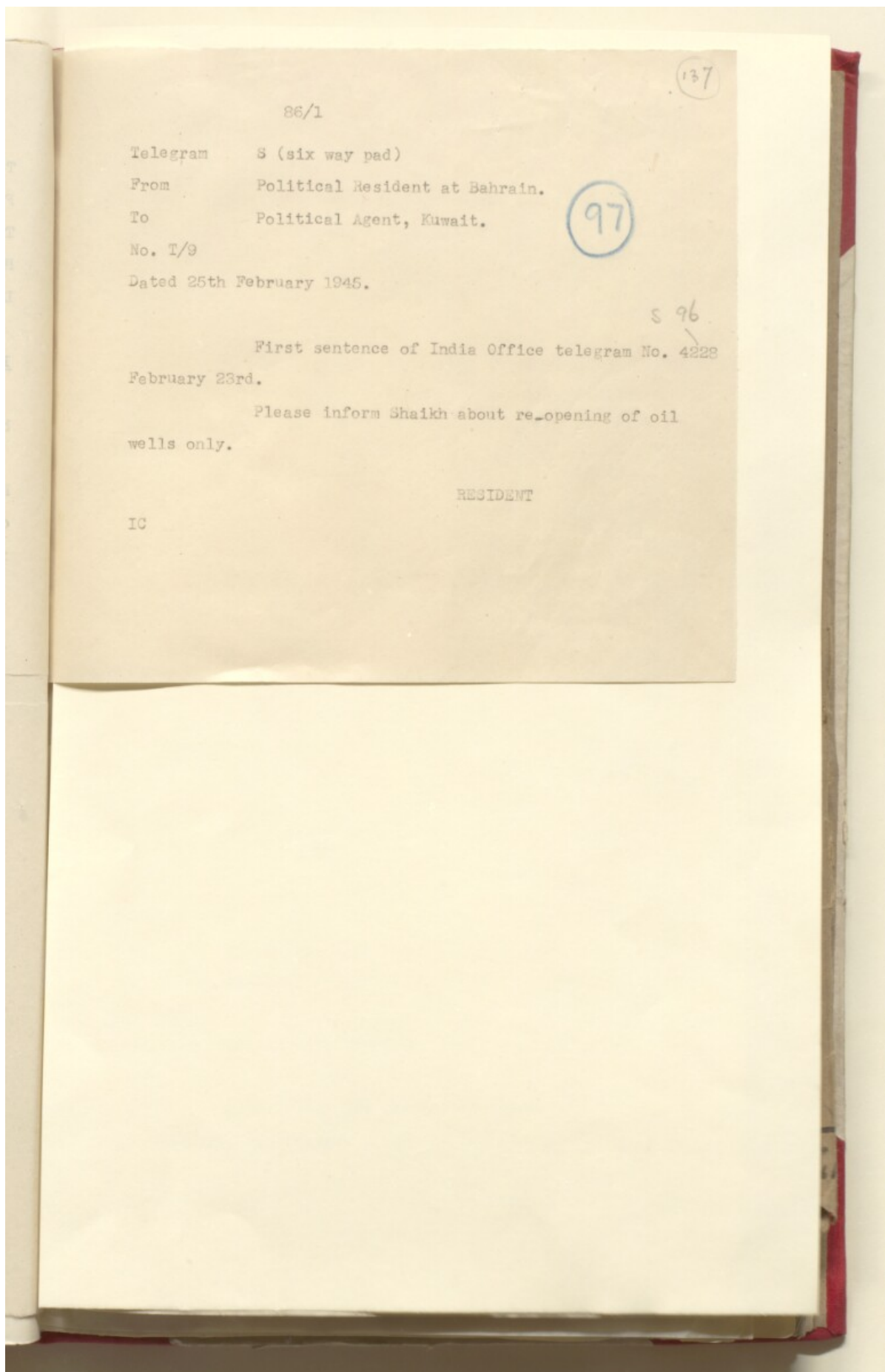
July 20th 1944.

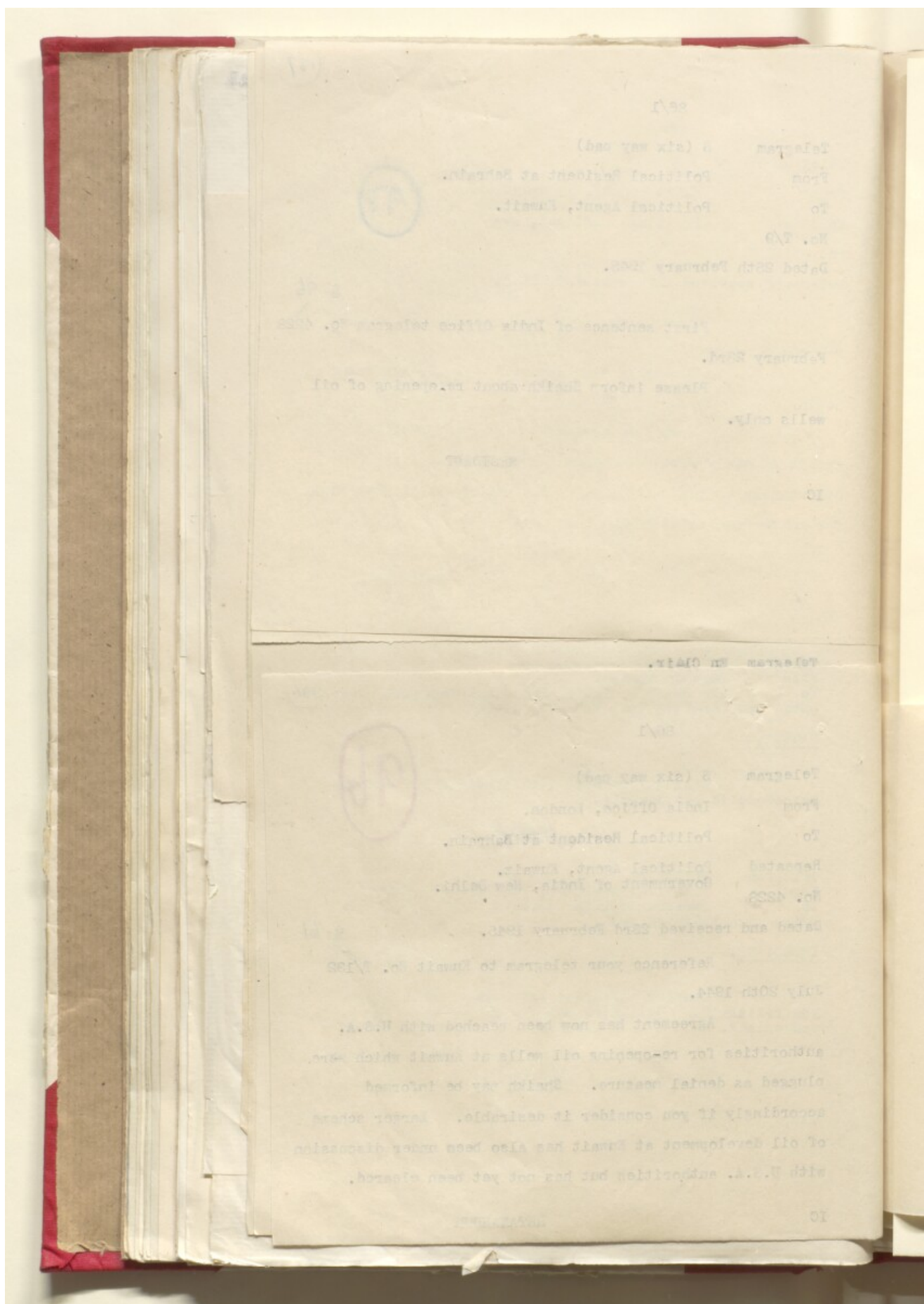
Agreement has now been reached with U.S.A. authorities for re-opening oil wells at Kuwait which were plugged as denial measure. Shaikh may be informed accordingly if you consider it desirable. Larger scheme of oil development at Kuwait has also been under discussion with U.S.A. authorities but has not yet been cleared.

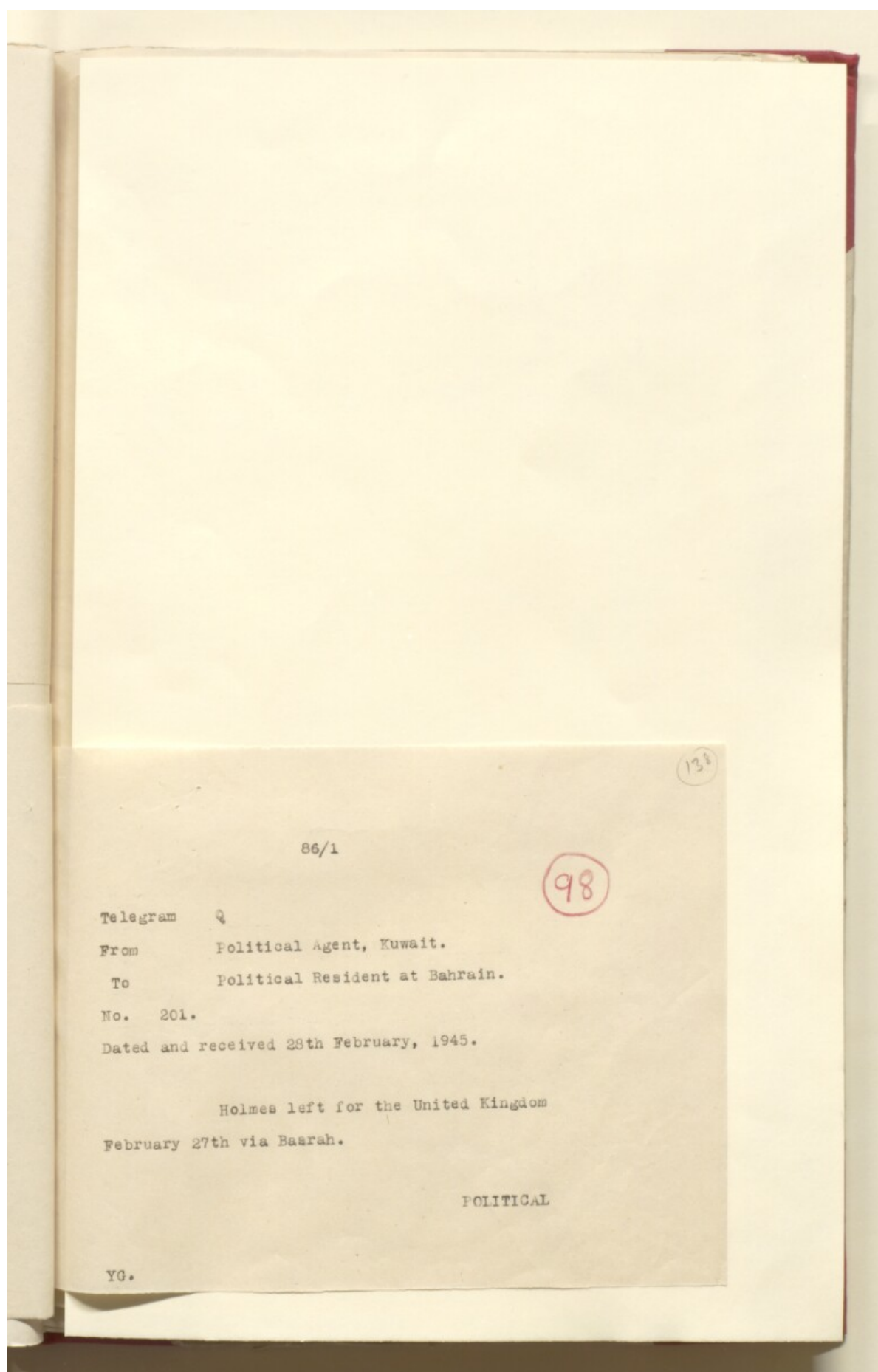
IC RETAXANDUM



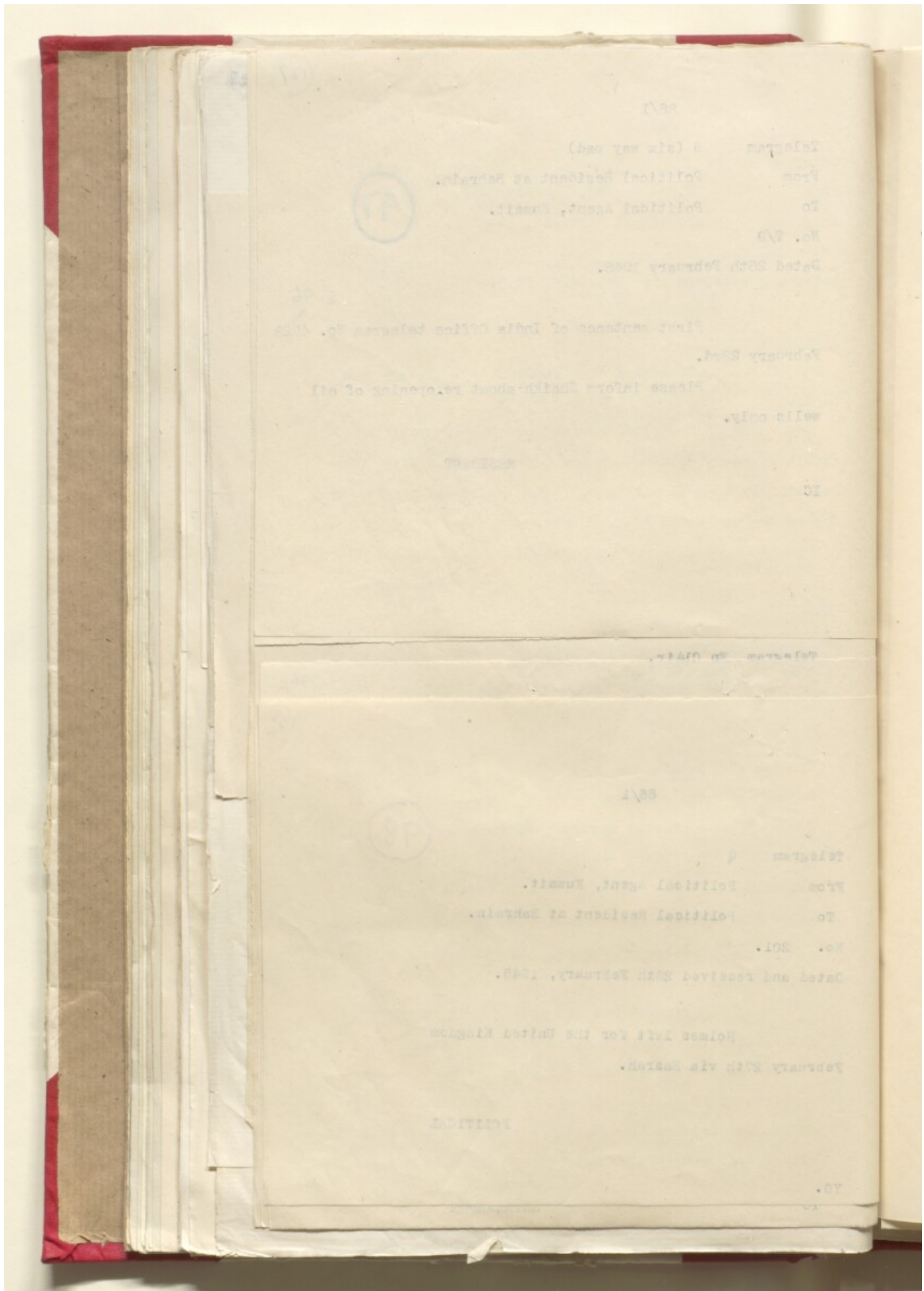














139

✓  
86/1 & 86/13

Telegram S(Pad)  
From Political Resident at Bahrain.  
To India Office, London.  
No. T/28.  
Dated 1st March, 1945.

(99)

My telegram No. 2321 December 29th 1944.  
Holmes left Kuwait for United Kingdom  
February 27th.

PRIOR

YG

CONFIDENTIAL

No. C/23.

Office of the Political Resident  
in the Persian Gulf,  
Camp, Bahrain,  
1st March, 1945.

Copy forwarded with compliments to

1. The Secretary to the Government of India  
in the External Affairs Department,  
New Delhi,

with reference to Residency telegram

No. 2321 dated 29th December 1944.

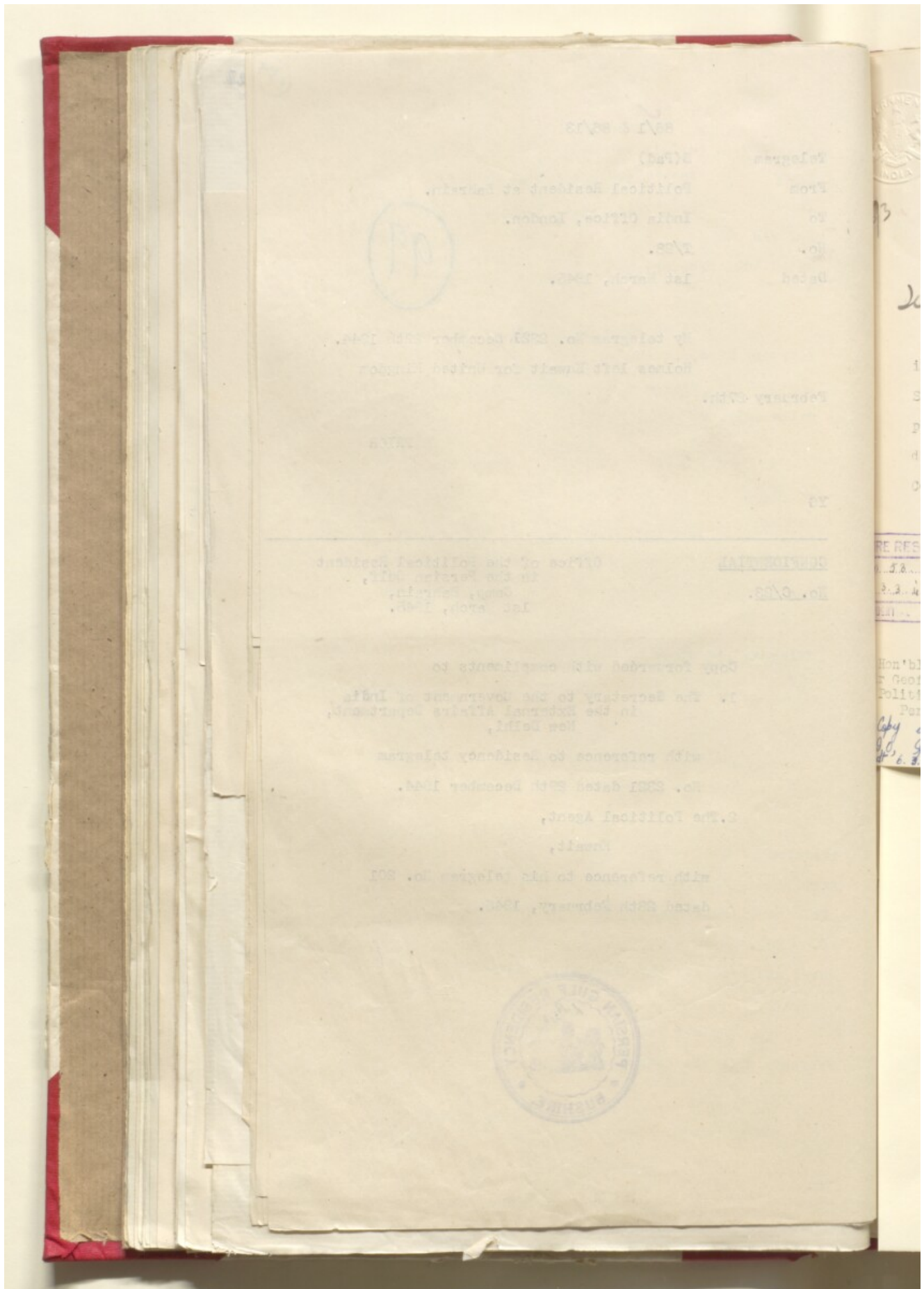
2. The Political Agent,

Kuwait,

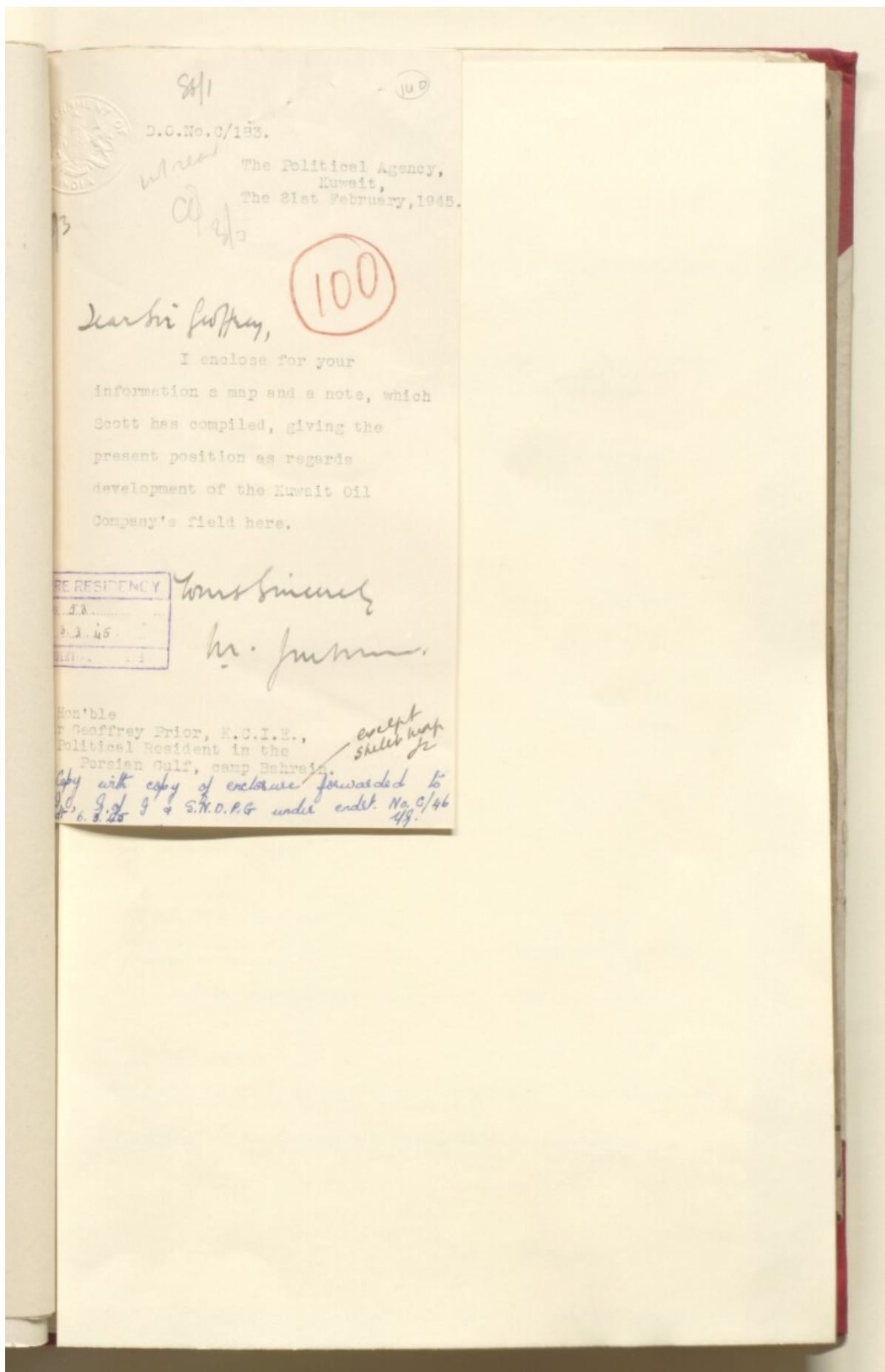
with reference to his telegram No. 201

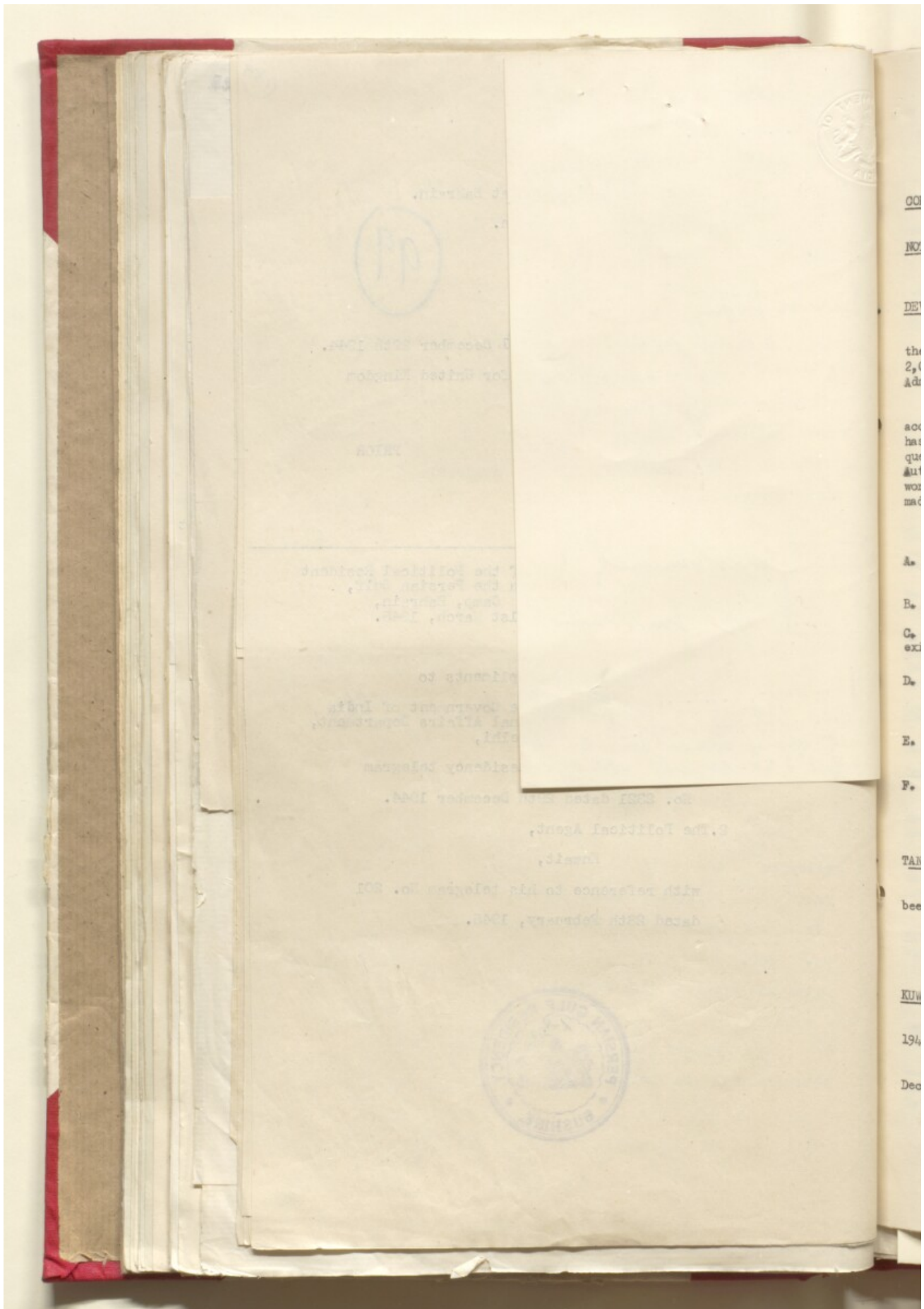
dated 23th February, 1945.













CONFIDENTIAL.

NOTE ON POSITION OF DEVELOPMENT PROJECTS KUWAIT OIL CO. LTD. AT FEBRUARY, 1945.

DEVELOPMENT OF PRODUCTION FROM BURGAN FIELD.

Applications for the minimum of equipment and materials required to place the Burgan Field on a basis of production of 50,000 bbls. per day (approx. 2,000,000 gals. per day) of crude oil were forwarded to the Petroleum Administration for War, Washington, D.C., U.S.A., in April, 1944.

The writer has no official information that sanction has yet been accorded for the supply of the materials for this scheme but an assurance has been received recently from London Principals to the effect that the question of recommencing operations is kept prominently before the Allied Authorities and the Company has been assured by H.M.G. that resumption of work on wells will be permitted as soon as the necessary materials can be made available.

The work envisaged for this purpose includes:-

- A. Reconditioning 9 existing wells, equipping them for sustained production and obtaining additional production data.
- B. Drilling and completing for production 13 additional wells.
- C. Completing Well M.10., which is located to test the Madaniyat dome, the existence of which was indicated by a seismic survey.
- D. The installation of surface production equipment including gathering lines, gas separation equipment, tankage and pumping equipment for delivering the crude to a loading terminal in the Kuwait Bay area.
- E. The construction of a 12" diameter pipe line from the Field to a tank farm and loading terminal in the Kuwait Bay area.
- F. The increase of Field services and accommodation to enable the foregoing work to be carried out.

TANK FARM AND CRUDE LOADING TERMINAL.

The writer has no official information as yet of any applications having been forwarded to the P.A.W. for this section of the development scheme.

Detail in this connection would depend largely on the site chosen.

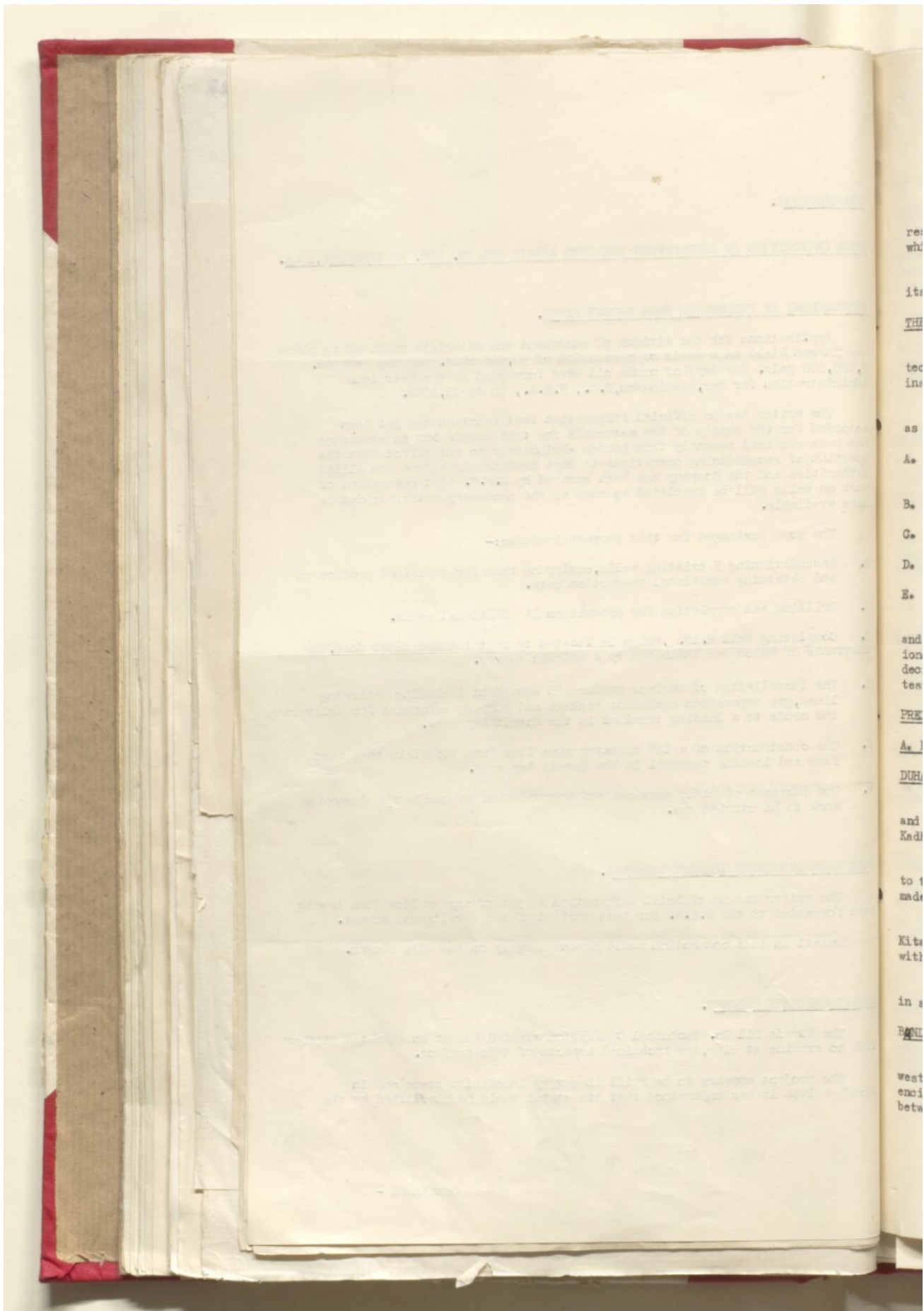
KUWAIT REFINERY PROJECT.

The Kuwait Oil Co. Technical Commission visited Kuwait in August/September 1944 to examine at site, the technical aspects of this project.

The project appears to be still in a very indefinite state and in December 1944 it was understood that its status would be clarified by the

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results of an Allied survey of forward requirements of petroleum products, which was then due.

The general belief at that time was that there was little likelihood of its becoming a war project. The writer has no further information to date.

#### THE KUWAIT OIL CO. TECHNICAL COMMISSION.

This Commission established five possible alternative sites, from a technical point of view, for a refinery and terminal to handle, in the first instance, the crude production from the Burgan Field, vide Para. 1.

The alternatives were as shown on Drawing No. <sup>KS 44/6</sup> 67261 and can be described as follows:-

- A. Refinery at Bandar Shuwaikh with tank farm and terminal at Duhat Kadhama.
- B. Refinery, tank farm and terminal on the south coast of Duhat Kadhama.
- C. Refinery tank farm and terminal in the Ras-al-Ardh/al Bidda area.
- D. Refinery, tank farm and terminal in the Fahahil/Shaiiba area.
- E. Refinery, tank farm and terminal in the Um Qasr area.

General considerations appeared likely to rule out the Um Qasr alternative and a selection from the other four alternatives could only be made after additional hydrographic and site data had been obtained. It was, therefore, decided to embark on a series of preliminary hydrographic surveys and site tests which are now being carried out.

#### PRELIMINARY HYDROGRAPHIC SURVEY, SITE TESTS AND METEOROLOGICAL.

##### A. HYDROGRAPHIC SURVEY.

##### DUHAT KADHAMA.

Preliminary examinations have been made of the bar between Duhat Kadhama and the main portion of Kuwait Bay, also of the six fathom anchorage in Duhat Kadhama.

Two lines of soundings have been run from the south coast of Duhat Kadhama to the Kutat Abu Taleh reef and a detailed survey of this reef has also been made.

Work to be completed in this area comprises soundings from the shore to Kita'tain Ashairij reef and also to the reef west of Kutat Abu Taleh together with detailed surveys of the reefs in question.

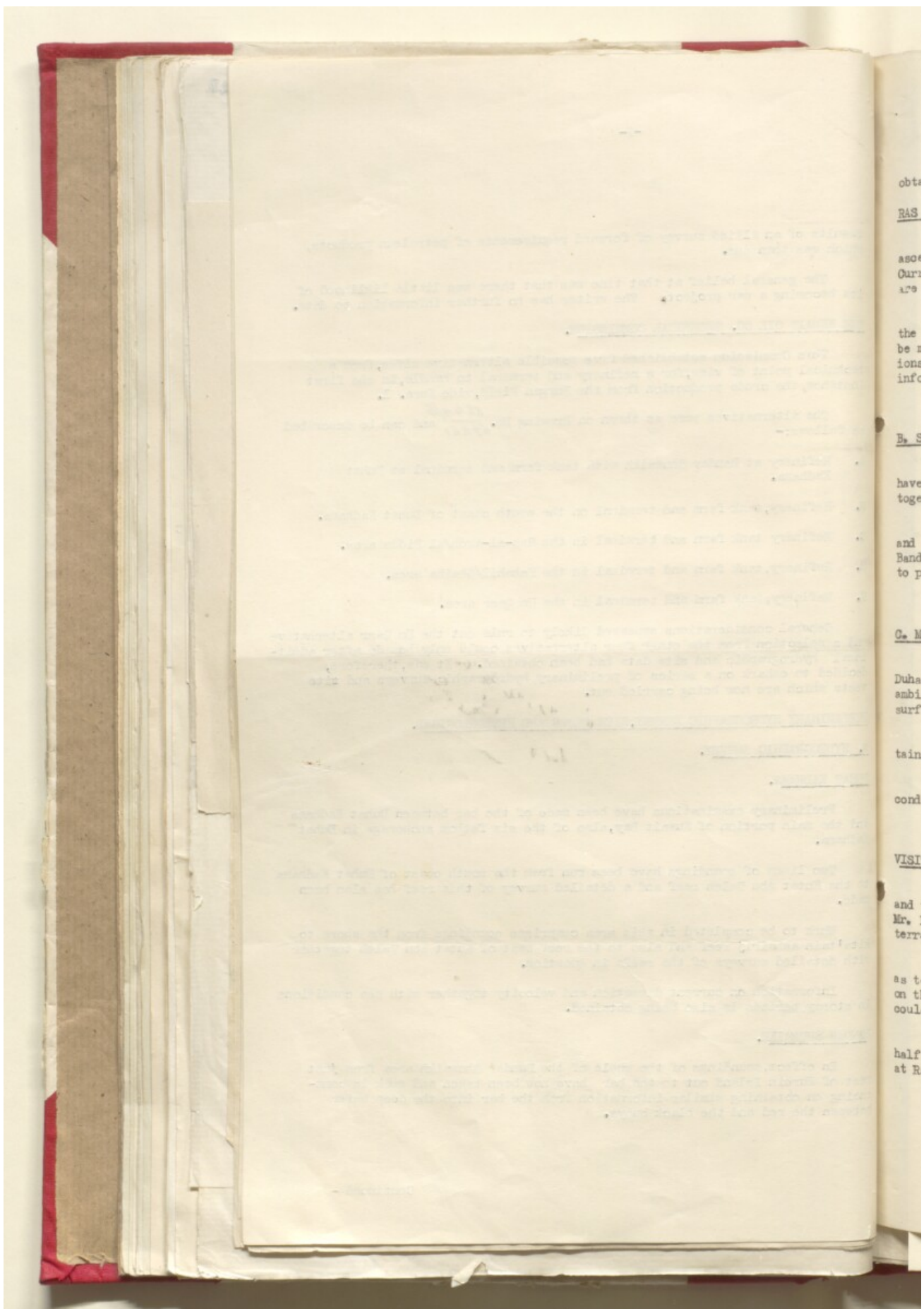
Information on current direction and velocity together with sea conditions in stormy periods is also being obtained.

##### BANDAR SHUWAIKH.

In effect, soundings of the whole of the Bandar Shuwaikh area from just west of Kurein Island out to the bar have now been taken and work is commencing on obtaining similar information from the bar into the deep water between the red and the black buoys.

Continued -





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-3-

Current velocity and direction data and sea conditions are also to be obtained for this area.

RAS AL ARDH CUT.

The extent of the deep water inlet north of the Ras-al-Ardh has been ascertained and a detailed chart of the deep water area has been made. Current velocity and direction data together with sea conditions in this area are also being obtained.

On completion of the work in Kuwait Bay an examination of the waters off the eastern coast practically from Ras-al-Ardh to Shaiba will almost certainly be made and as much information as possible is being obtained on storm conditions on this coast. In this connection the Company would be grateful for any information that the Political Agency could provide.

B. SITE TESTS.

Examination and analysis of the surface soils, ground bearing tests etc., have been made in the Shuwaikh area and in the area south of Duhat Kadhama together with detailed topographic mapping of the areas of interest.

In this category too, it is required to ascertain the proportions of coral and mud that would have to be dredged if it were decided to erect jetties in Bandar Shuwaikh for unloading cargo boats up to 27 ft. draft. We expect to put this work in hand in the immediate future.

C. METEOROLOGICAL.

The following meteorological data has been obtained at Bandar Shuwaikh, Duhat Kadhama and Ras-al-Ardh from July 1944 to December 1944, wet and dry bulb ambient air temperatures, wind direction and velocity, sea water temperature at surface, 3 fathoms and 6 fathoms and barograph readings.

Subsequently one meteorological station at Bandar Shuwaikh has been maintained.

In addition efforts are now being made to gather information on surface conditions at sea in these three areas during stormy periods.

VISIT OF CERTAIN MEMBERS OF THE U.S.A. PIPE LINE COMMISSION.

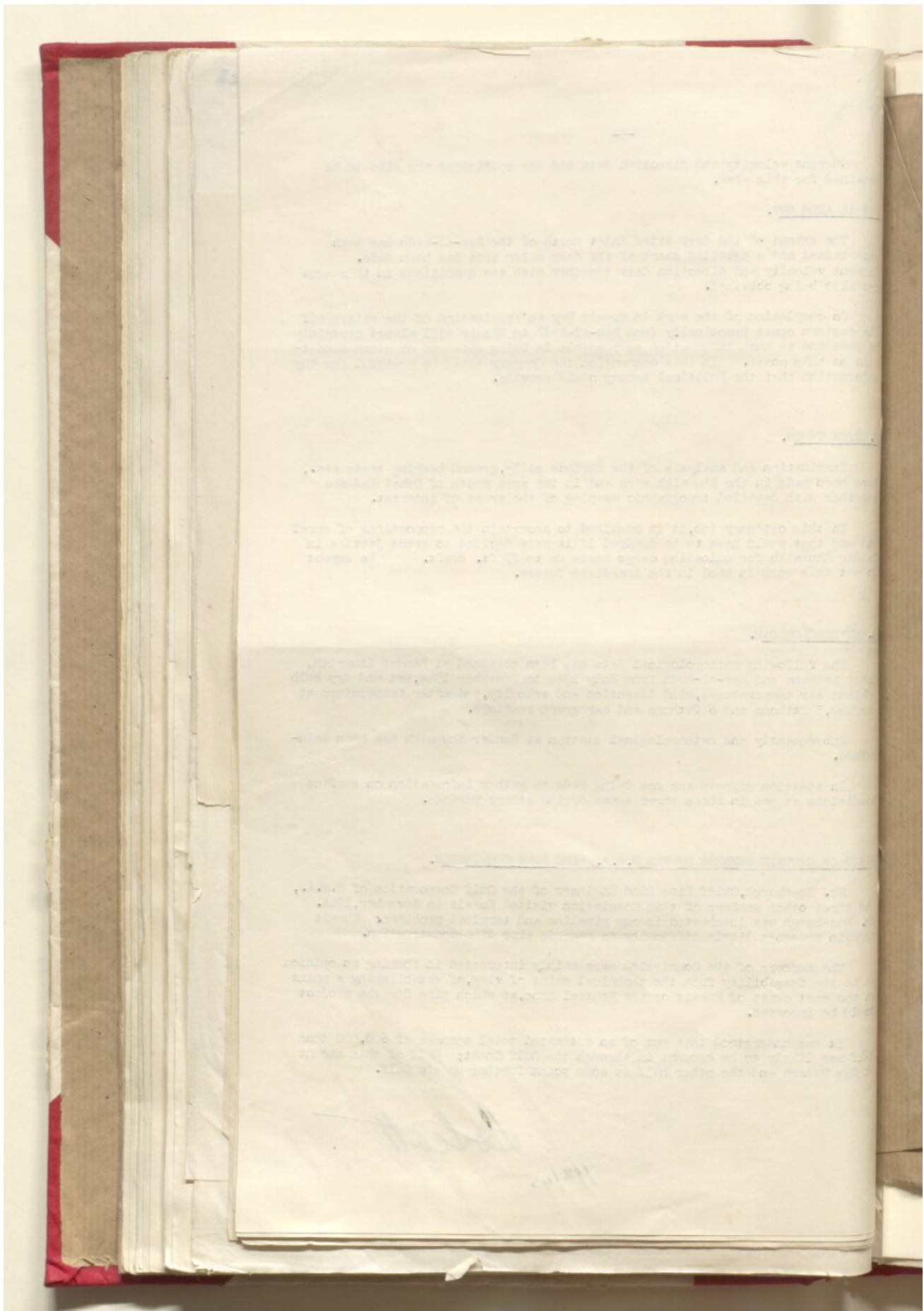
Mr. Roseburgh, Chief Pipe Line Engineer of the Gulf Corporation of U.S.A., and three other members of this Commission visited Kuwait in November, 1944. Mr. Roseburgh was interested in our pipeline and terminal problems. Kuwait terrain presents little difficulty as regards pipe line construction.

The members of the Commission were mainly interested in forming an opinion as to the feasibility from the technical point of view, of establishing a point on the east coast of Kuwait or the Neutral Zone, at which pipe for the project could be imported.

It was understood that out of an estimated total tonnage of 600,000 tons half was likely to be brought in through the Gulf Coast; half of this amount at Ras Tanura and the other half at some point further up the Gulf.

*Scott*

9/2/45

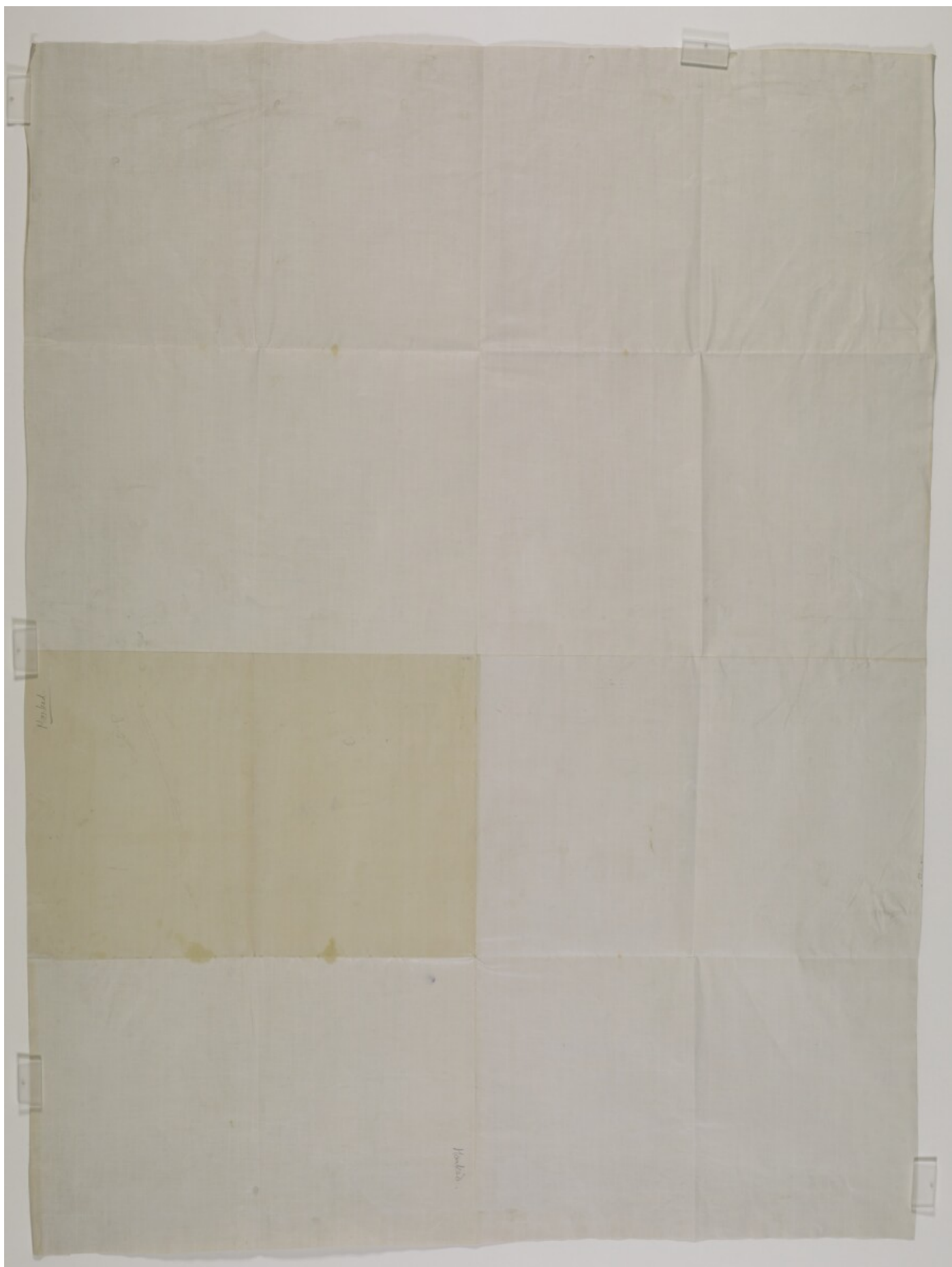
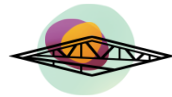


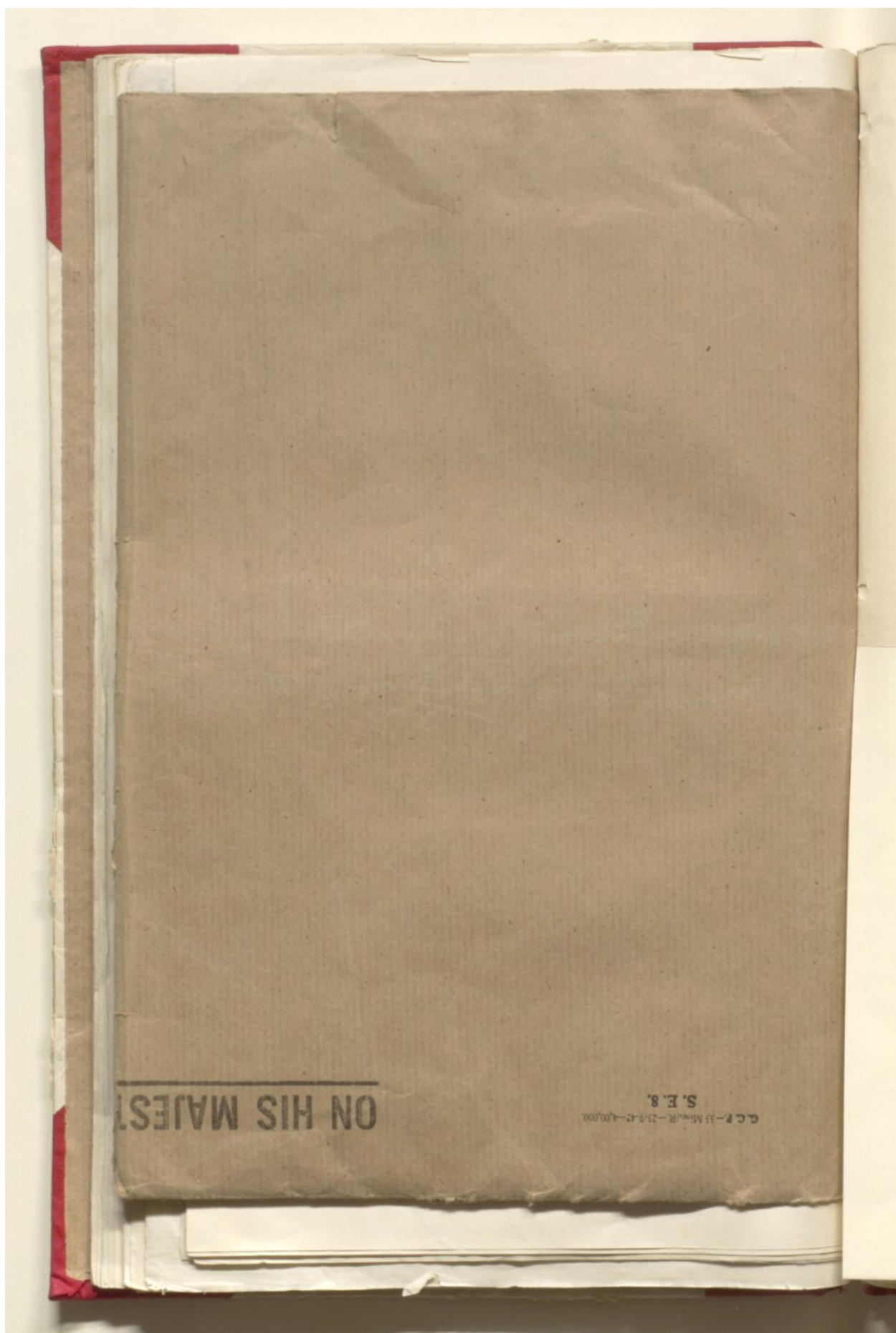
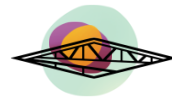




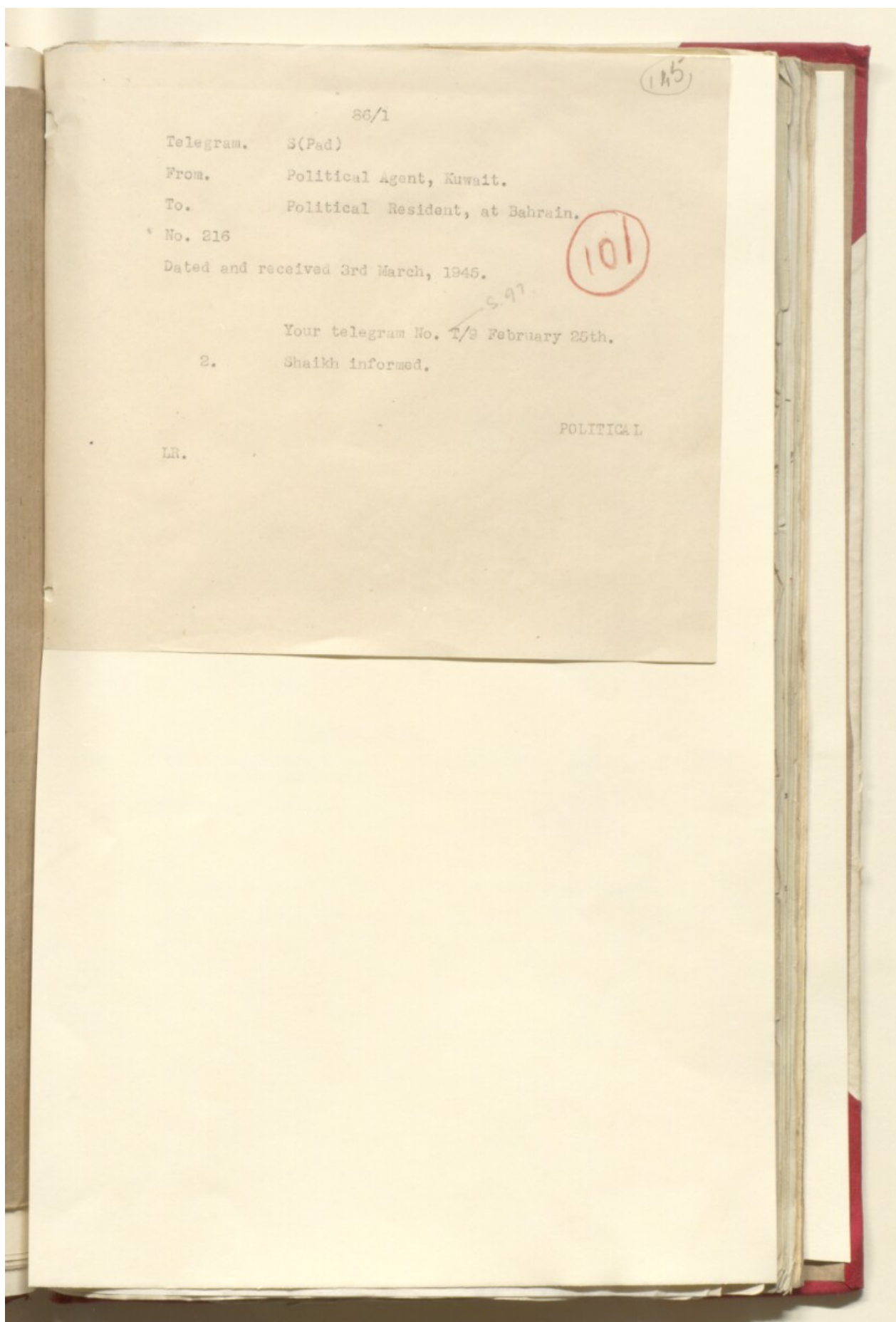


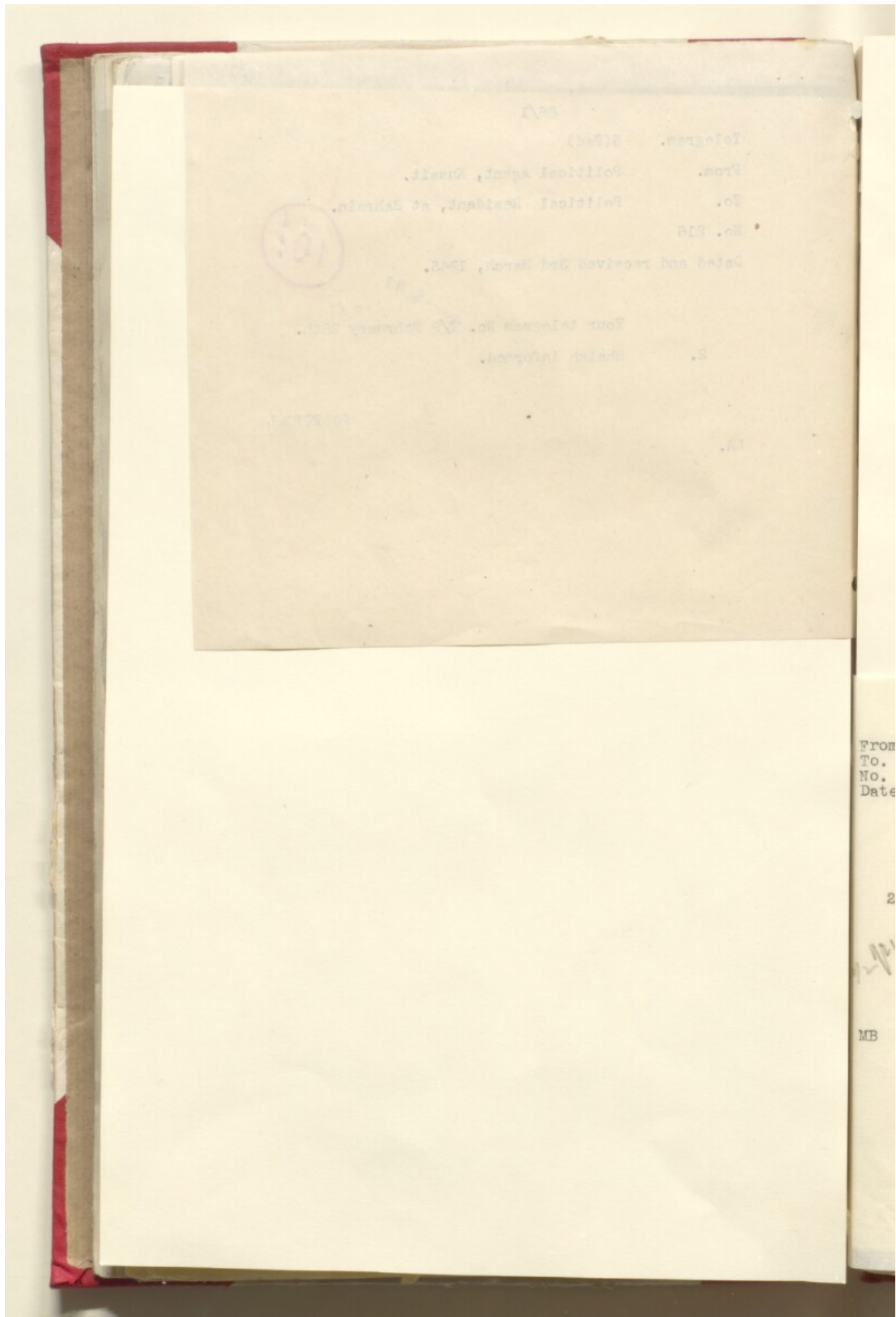


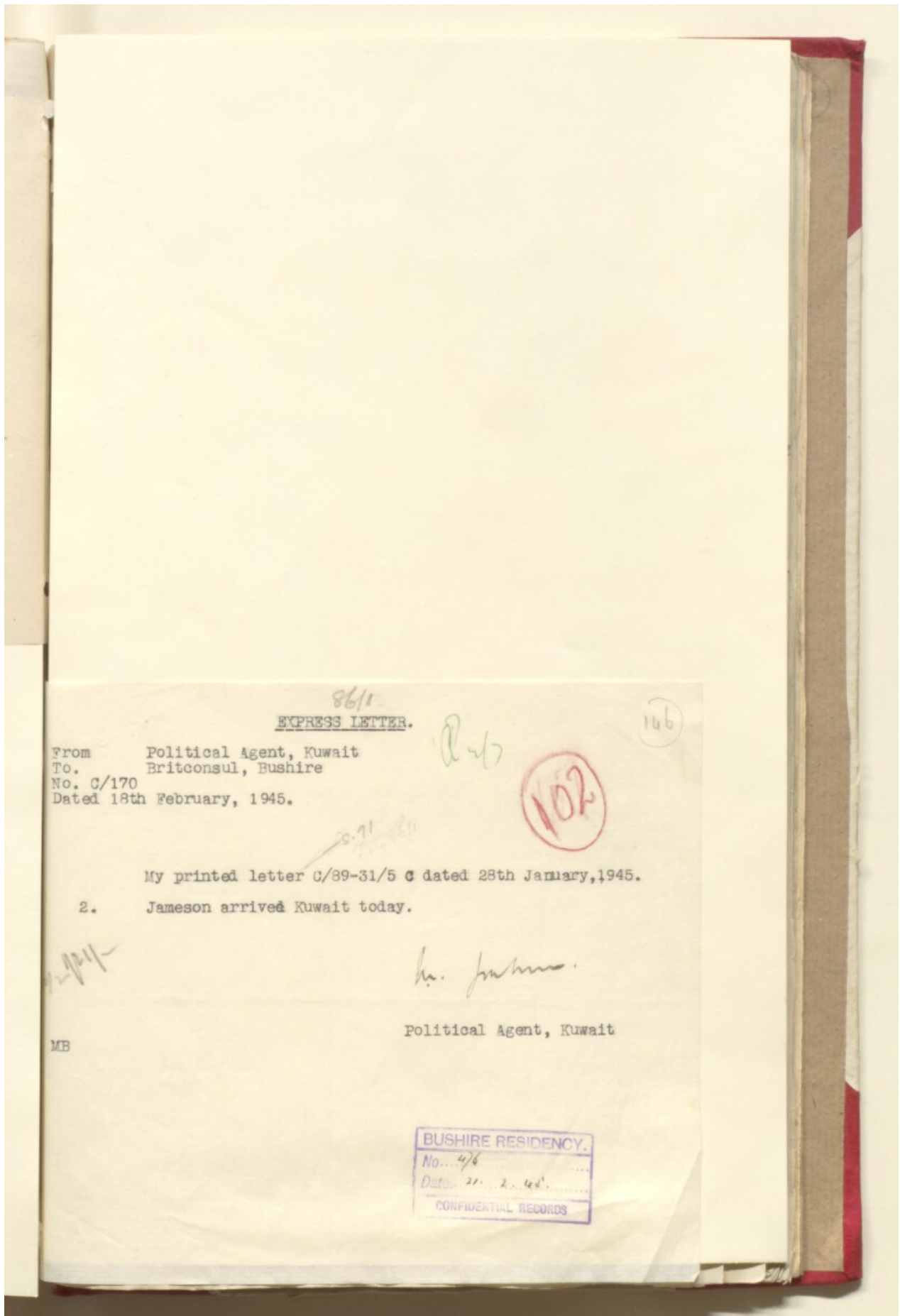
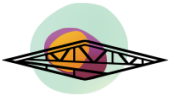




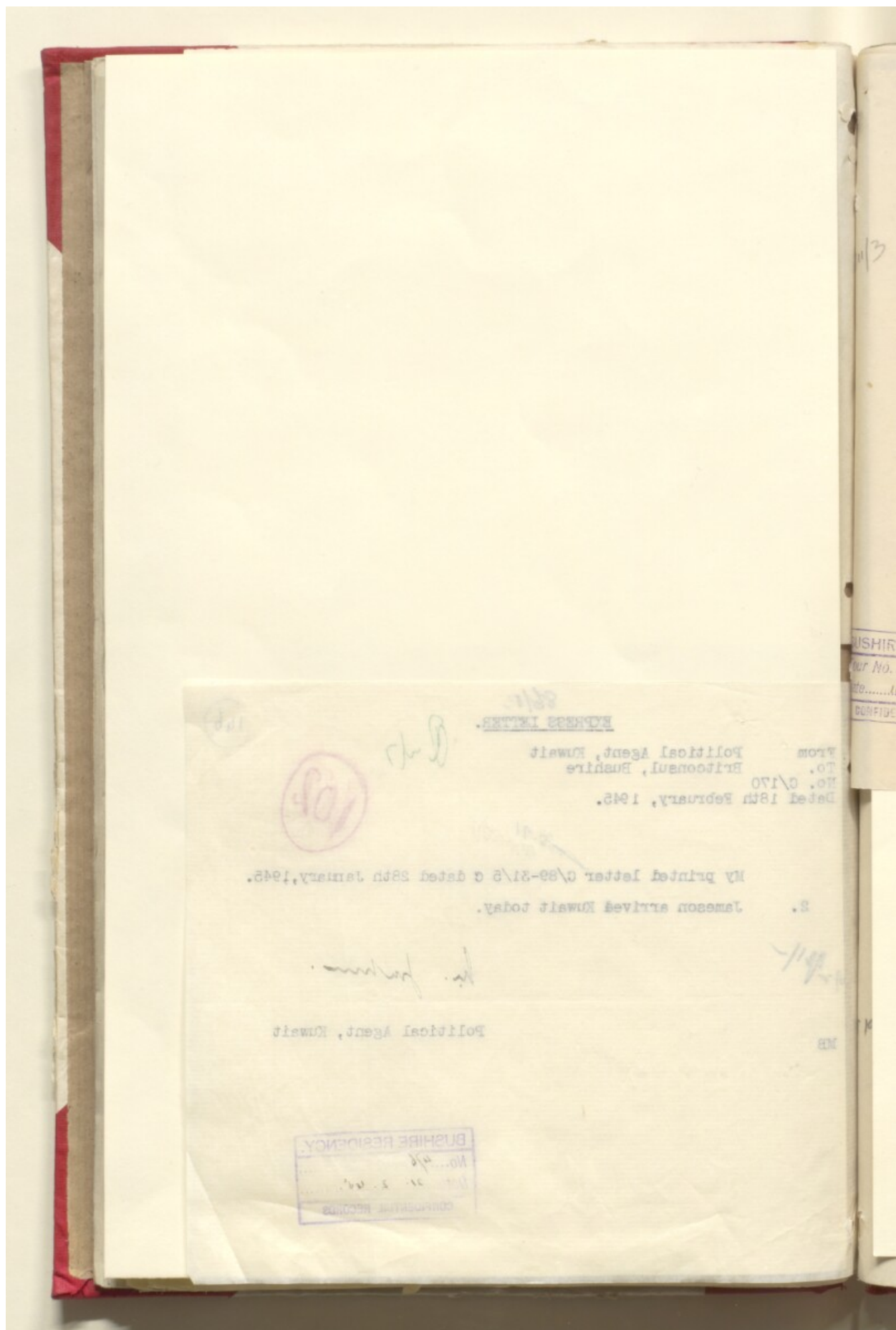
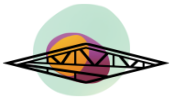


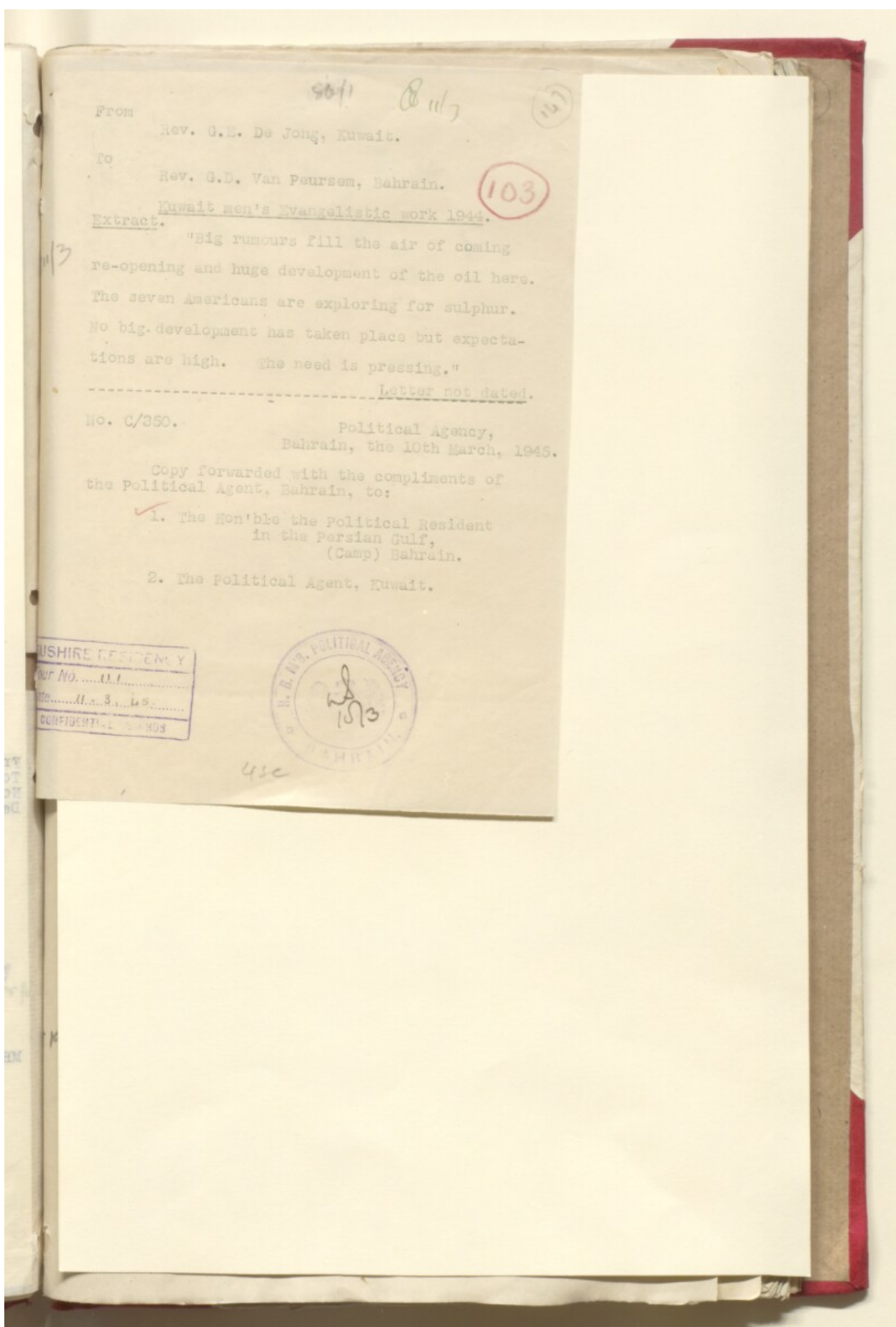
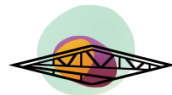












From Rev. G.E. De Jong, Kuwait.

To Rev. G.D. Van Peursem, Bahrain.

Kuwait men's Evangelistic work 1944.

Extract. "Big rumours fill the air of coming re-opening and huge development of the oil here. The seven Americans are exploring for sulphur. No big development has taken place but expectations are high. The need is pressing."

----- Letter not dated. -----

No. C/350.

Political Agency,  
Bahrain, the 10th March, 1945.

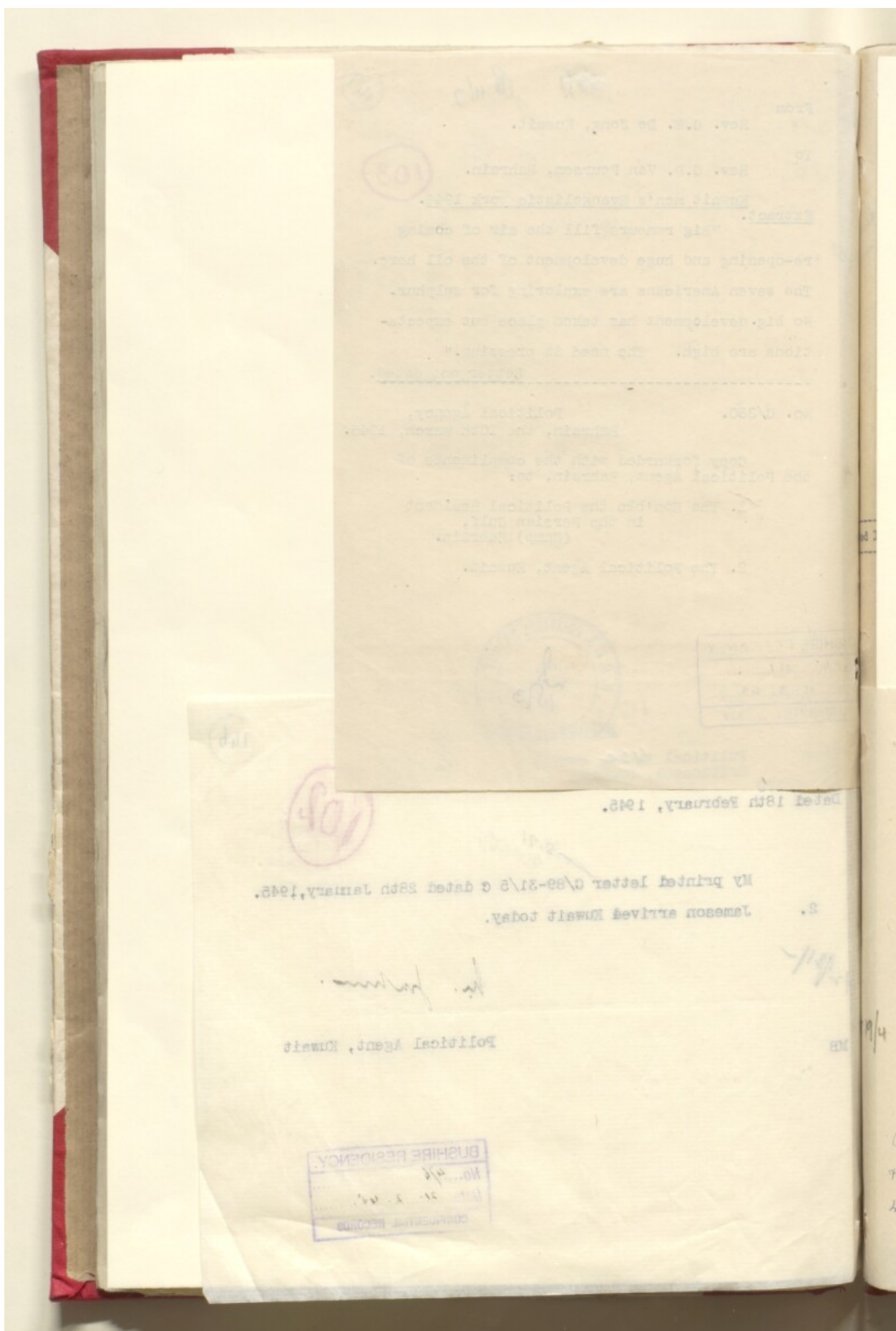
Copy forwarded with the compliments of the Political Agent, Bahrain, to:

- ✓ 1. The Hon'ble the Political Resident in the Persian Gulf, (Camp) Bahrain.
2. The Political Agent, Kuwait.

BAHRAIN RESIDENCY  
Our No. .... 111 .....  
Date ..... 11.3.45 .....  
CONFIDENTIAL - 111111



43c







CONFIDENTIAL. <sup>86/1</sup> EXPRESS LETTER. <sup>148</sup> 19/4

From. Political Agent, Kuwait.  
To. Prior, Bushire.  
No. C/342.  
Dated the 7th April, 1945.

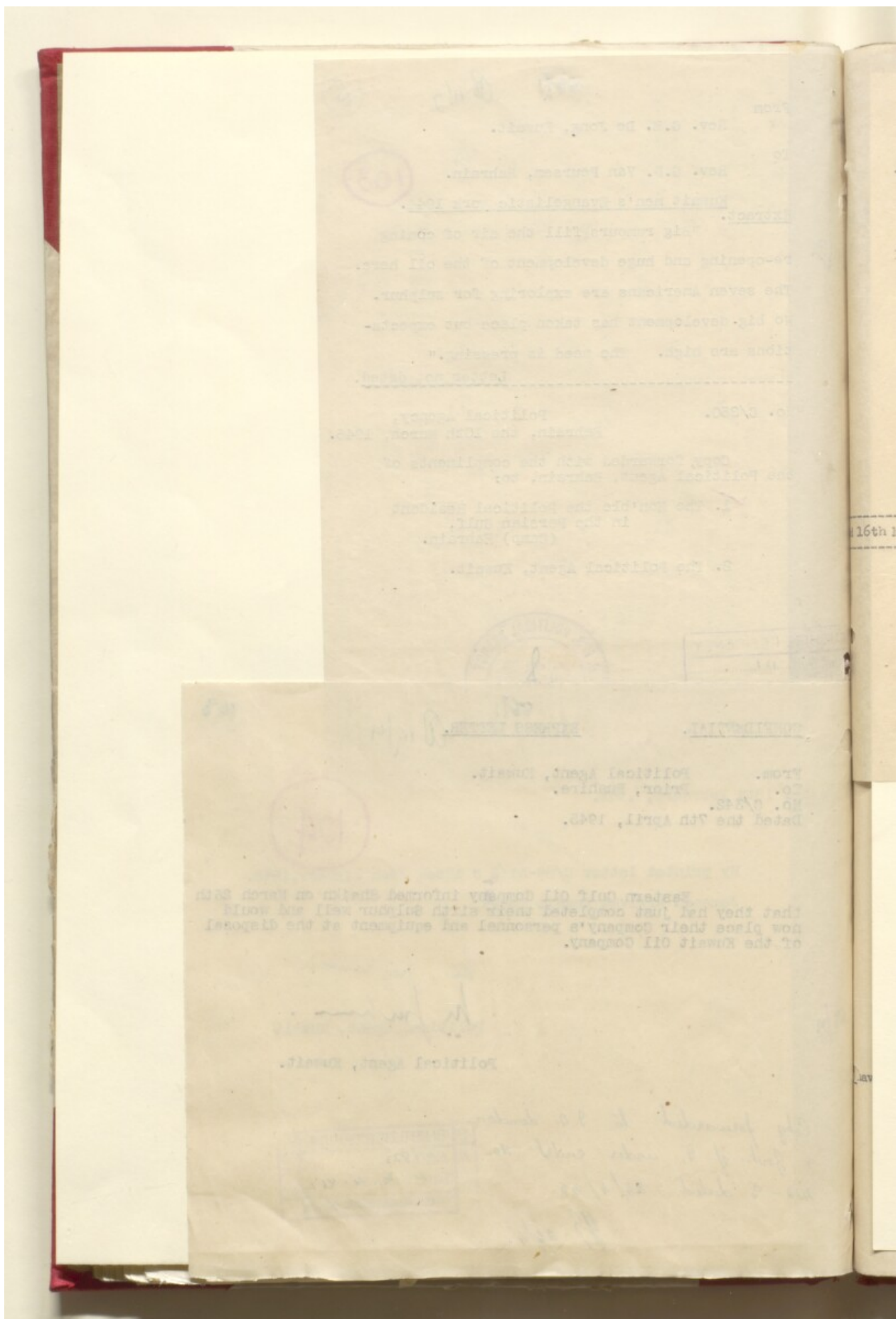
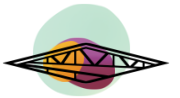
104

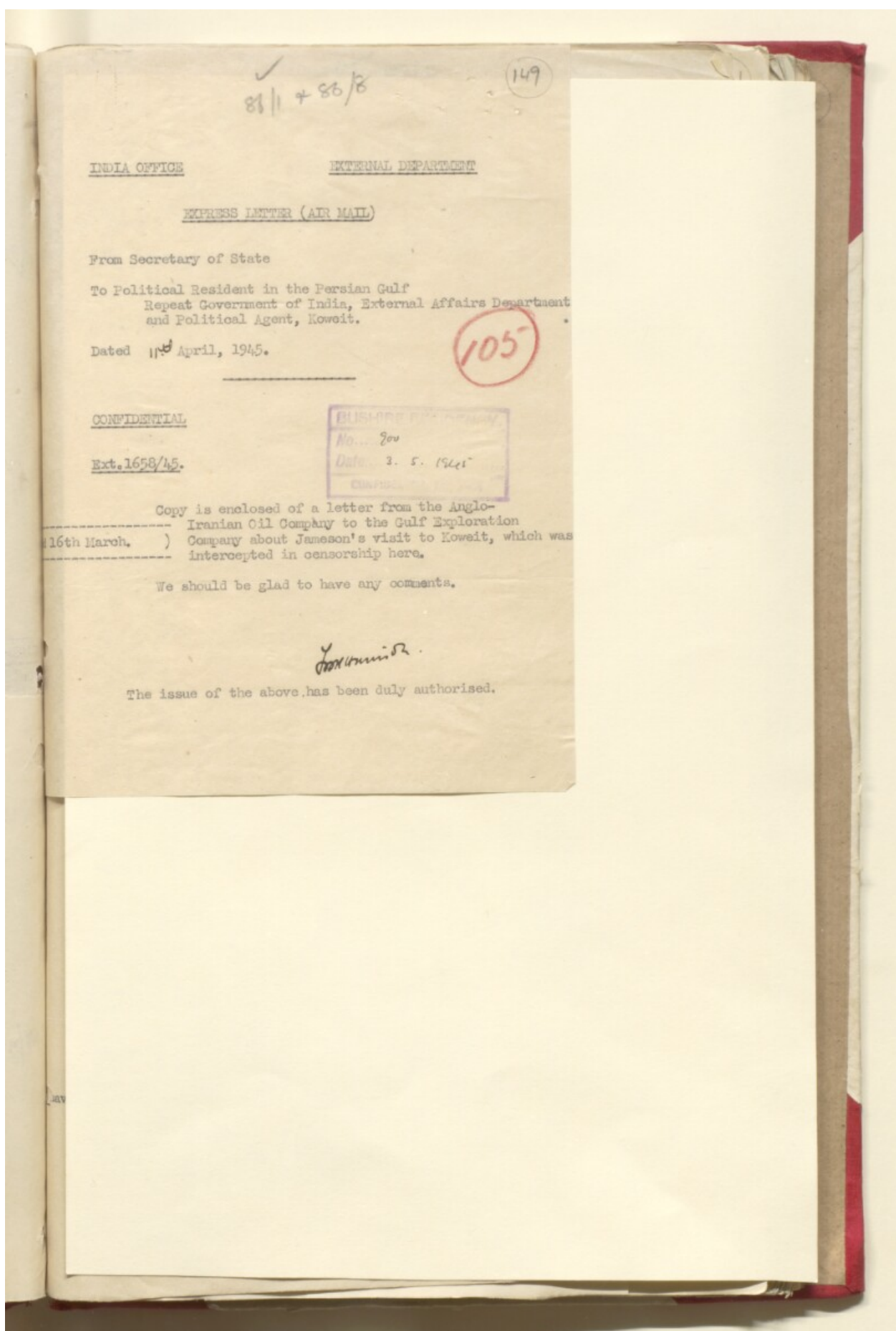
Eastern Gulf Oil Company informed Shaikh on March 26th that they had just completed their sixth Sulphur well and would now place their Company's personnel and equipment at the disposal of the Kuwait Oil Company.

*h. j. m. h.*  
Political Agent, Kuwait.

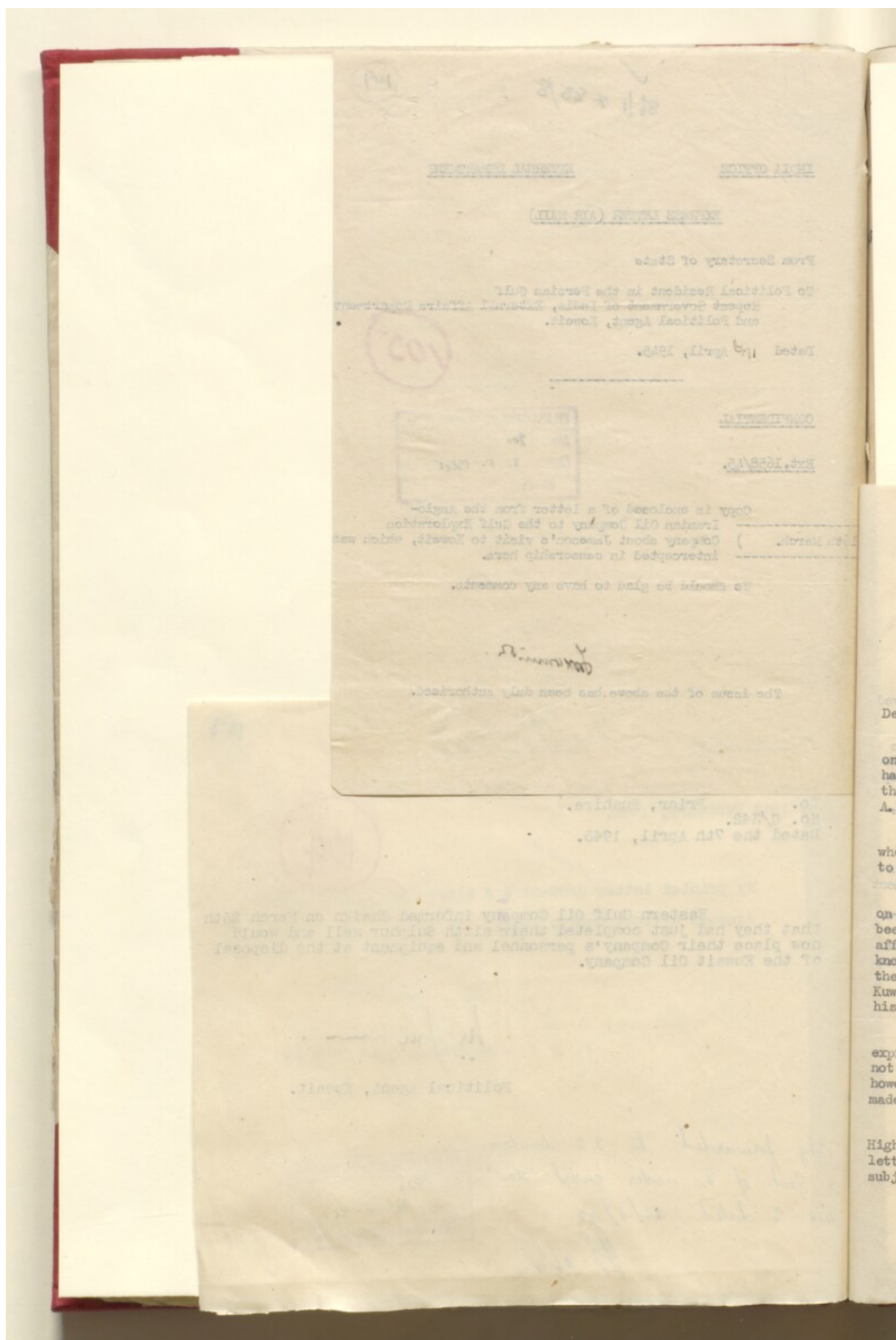
*19/4*  
Copy forwarded to I.O. London  
7 Govt. of I. under encl. No.  
413-3 dated 24/4/45.  
*YJ 24/4.*

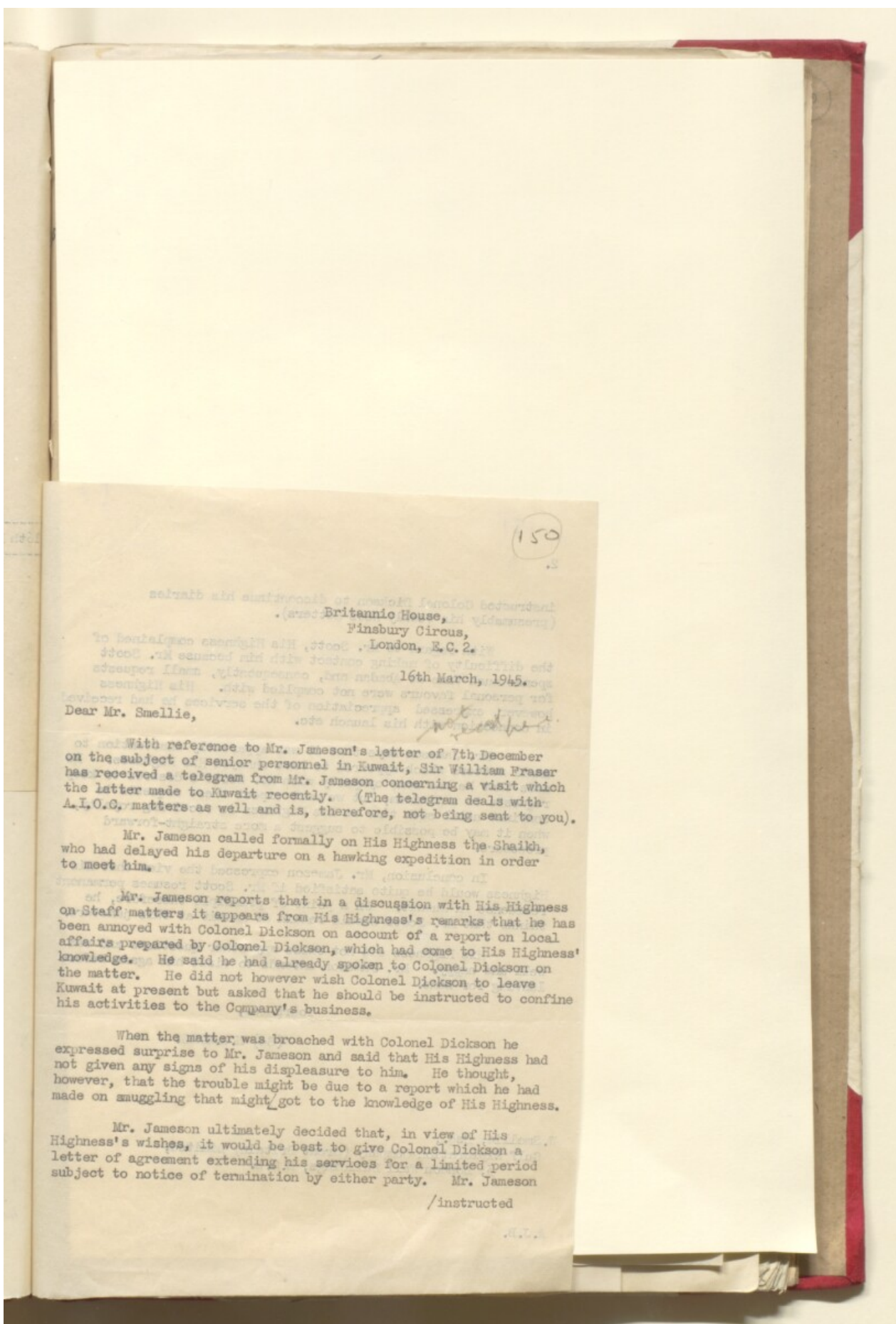
BUSHIRE RESIDENCY.  
No. 833  
Date 20. 4. 45.  
CONFIDENTIAL RECORDS











150  
Dear Mr. Smellie,  
With reference to Mr. Jameson's letter of 7th December on the subject of senior personnel in Kuwait, Sir William Fraser has received a telegram from Mr. Jameson concerning a visit which the latter made to Kuwait recently. (The telegram deals with A.I.O.C. matters as well and is, therefore, not being sent to you).

Mr. Jameson called formally on His Highness the Shaikh, who had delayed his departure on a hawking expedition in order to meet him. Mr. Jameson reports that in a discussion with His Highness on Staff matters it appears from His Highness's remarks that he has been annoyed with Colonel Dickson on account of a report on local affairs prepared by Colonel Dickson, which had come to His Highness's knowledge. He said he had already spoken to Colonel Dickson on the matter. He did not however wish Colonel Dickson to leave Kuwait at present but asked that he should be instructed to confine his activities to the Company's business.

When the matter was broached with Colonel Dickson he expressed surprise to Mr. Jameson and said that His Highness had not given any signs of his displeasure to him. He thought, however, that the trouble might be due to a report which he had made on smuggling that might got to the knowledge of His Highness.

Mr. Jameson ultimately decided that, in view of His Highness's wishes, it would be best to give Colonel Dickson a letter of agreement extending his services for a limited period subject to notice of termination by either party. Mr. Jameson

/instructed





RECEIVED  
(151) 151  
From Secretary of State  
To His Highness the Amir of Kuwait  
Subject: Mr. Scott's diaries  
Dated: 11 April 1968  
JAMESON  
JAMESON

2.

instructed Colonel Dickson to discontinue his diaries (presumably his Weekly News Letters).

With regard to Mr. Scott, His Highness complained of the difficulty of making contact with him because Mr. Scott spends much time at Abadan and, consequently, small requests for personal favours were not complied with. His Highness however, expressed appreciation of the services he had received in connection with his launch etc.

Mr. Jameson says that it was apparently inattention to small matters which appeared to have annoyed His Highness. He adds that he has some sympathy with Mr. Scott's desires to keep requests to a minimum, but we must expect these requests to continue until such time as His Highness is receiving royalty, when it may be possible to suggest a more straight-forward procedure.

In conclusion, Mr. Jameson expressed the view that His Highness would be quite satisfied if Mr. Scott resumes permanent residence in Kuwait. On a point of principle therefore, he thinks that Mr. Scott should remain at Kuwait at this juncture. His Highness did not raise any other questions and was well and happy. Mr. Jameson intends to visit him again before leaving for home. He did not however wish to discuss the matter further but said that he should be instructed to continue to be in touch with Mr. Scott.

Yours &c.,  
(Sd) N.A. GASS.  
When Mr. Gass was in Kuwait he was in contact with Mr. Scott and said that he was very friendly to him. He gave him a letter to the Amir and said that the trouble might be due to a report which he had made on supposing that the Amir did not know of his presence.

W. Smellie, Esq.,  
Gulf Exploration Company (Great Britain) Limited,  
3, London Wall Buildings, E.C.2.

A.J.B.





86/1 = 86/8

152

GOVERNMENT OF INDIA.

Department.

EXPRESS LETTER (AIR MAIL).

[N.B.—This is an ORIGINAL message sent by AIR MAIL which provides a means of communication more expeditious than the ordinary mail and is cheaper than the telegraph. It is intended to be treated, on receipt, with the same expedition as if it had been telegraphed. To save time and to obviate formalities it is drafted in the form of a telegram. It is authenticated by the signature of a responsible officer of the Department.]

No. 494-S

Bushire.

Dated ~~New Delhi~~ <sup>X Bushire</sup>, the 12th May, 1945. 19 .

From

Political Resident, Bushire.

To

Political, Kuwait.

Reference ~~your~~ <sup>my</sup>

Mr. Jameson's visit to Kuwait.

S. 106

Reference India Office Express Letter

No. EXT. 1658/45 dated 11th April, 1945.

2. Please comment.

Sd/- A.C. GALLOWAY.

Political Resident, Persian Gulf.

ATTESTED.

12.5.45

for Secretary to the Political Resident, Persian Gulf.

DLG.

(Signature)

(Designation)

S. 44.

MFP—1015 S&P—(M.1870)—9-2-39—20,000.



127

86/1 - 8015

GOVERNMENT OF INDIA  
Department.

EXPRESS LETTER (AIR MAIL).

IN B.—This is an ORIGINAL message sent by AIR MAIL which provides a means of communication more expeditious than the ordinary mail and is cheaper than the telegram. It is intended to be used for urgent messages only and is subject to the following conditions:—It is not to be used for the transmission of confidential or secret information. It is not to be used for the transmission of information of a nature which is likely to be prejudicial to the interests of the Government. It is not to be used for the transmission of information of a nature which is likely to be prejudicial to the interests of the Government.

Subj: Mr. Jamason's visit to Kuwait.

Date: 18th May, 1948.

To: Political Resident, Kuwait.

From: Political Resident, Bahrain.

Reference: Mr. Jamason's visit to Kuwait.

No. EXT. 1888/48 dated 11th April, 1948.

Reference India Office Express Letter

2. Please comment.

38/- A.C. BALLYWAY.  
Political Resident, Persian Gulf.

12.5.48

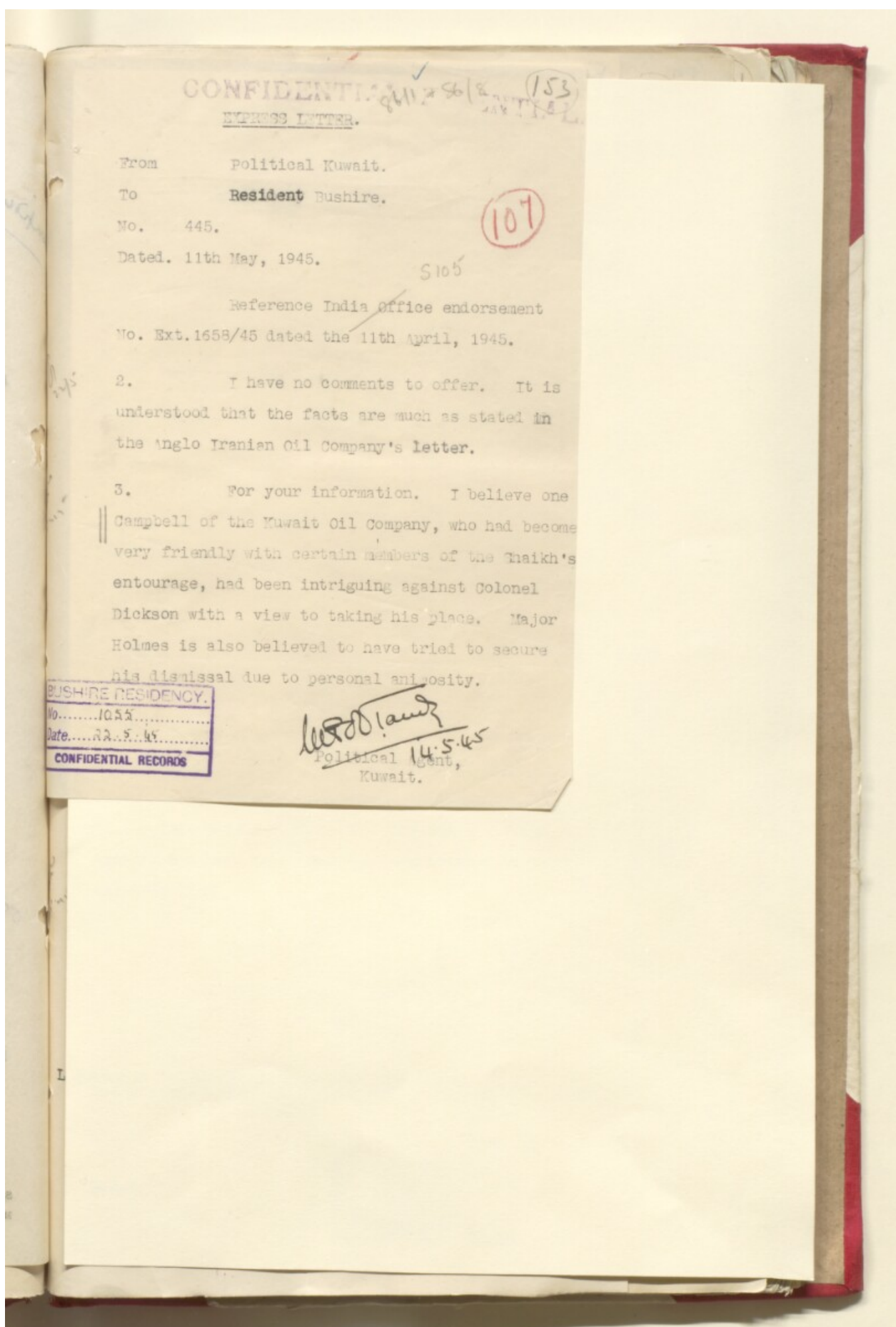
For Secretary to the Political Resident, Persian Gulf.

(Signature)

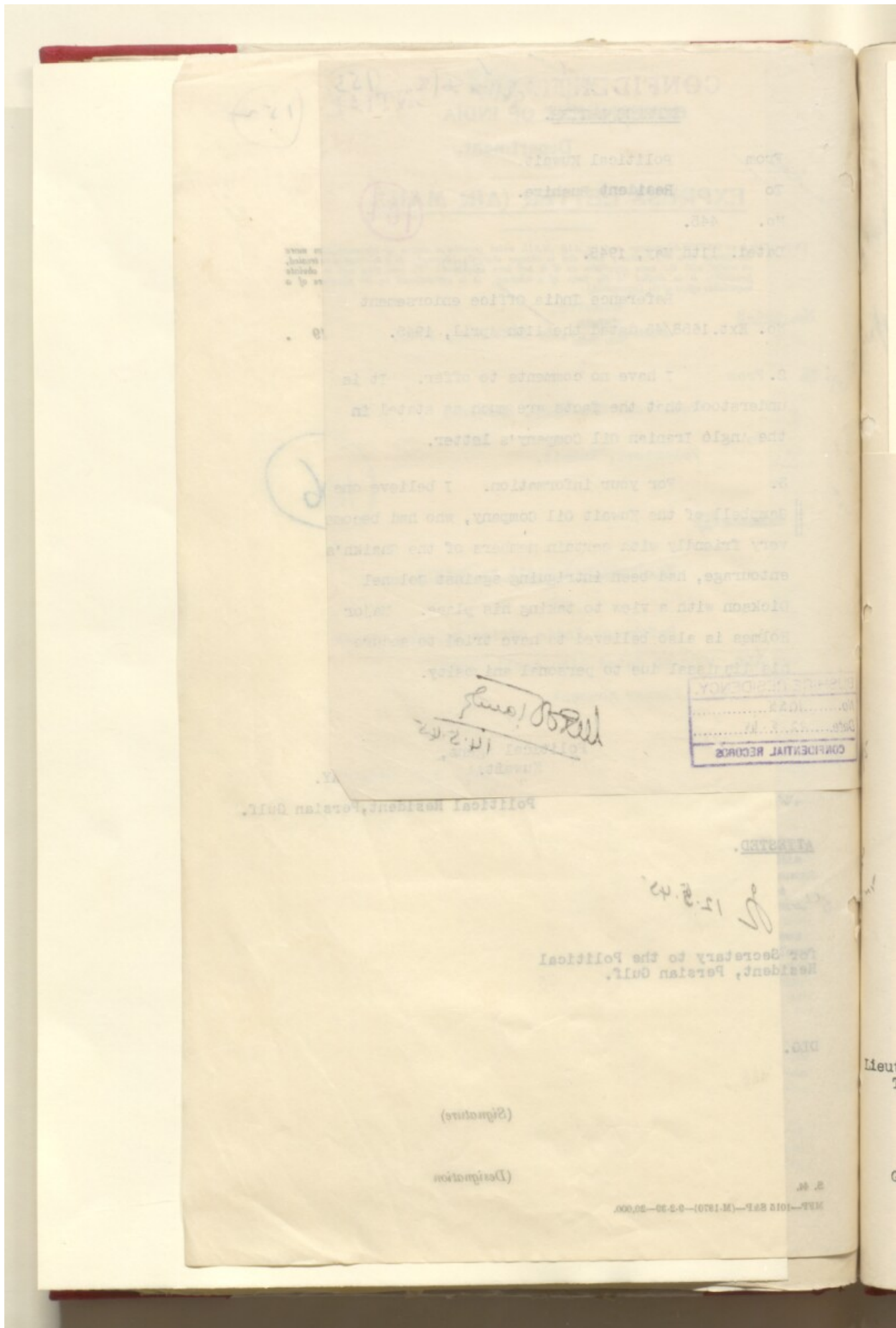
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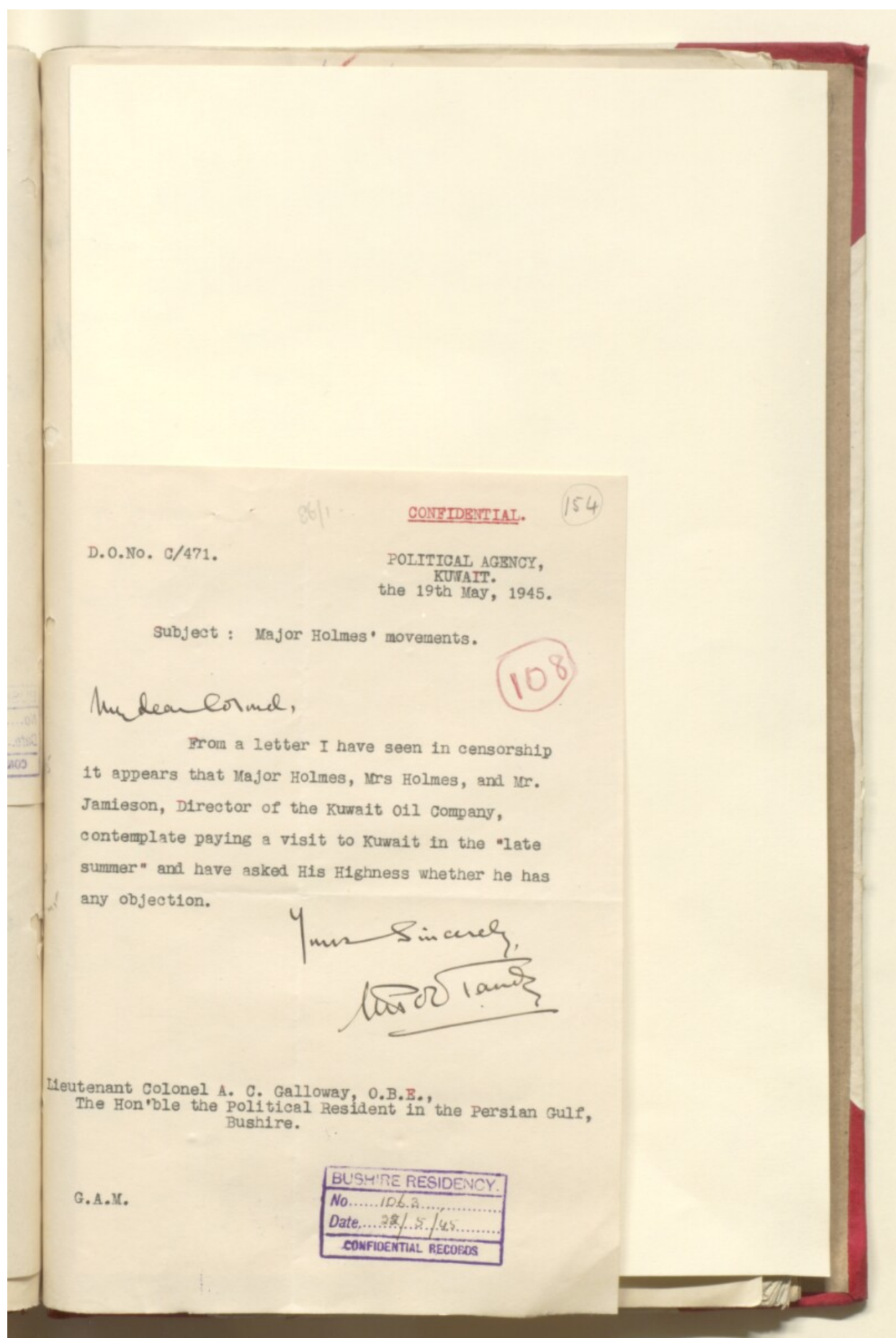
MT-1012 B.F.—(M.1970)—9-2-50—32,000

CONF









86/1  
D.O.No. C/471.

CONFIDENTIAL. 154  
POLITICAL AGENCY,  
KUWAIT.  
the 19th May, 1945.

Subject : Major Holmes' movements.

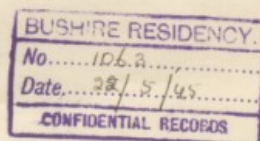
My dear Colonel,

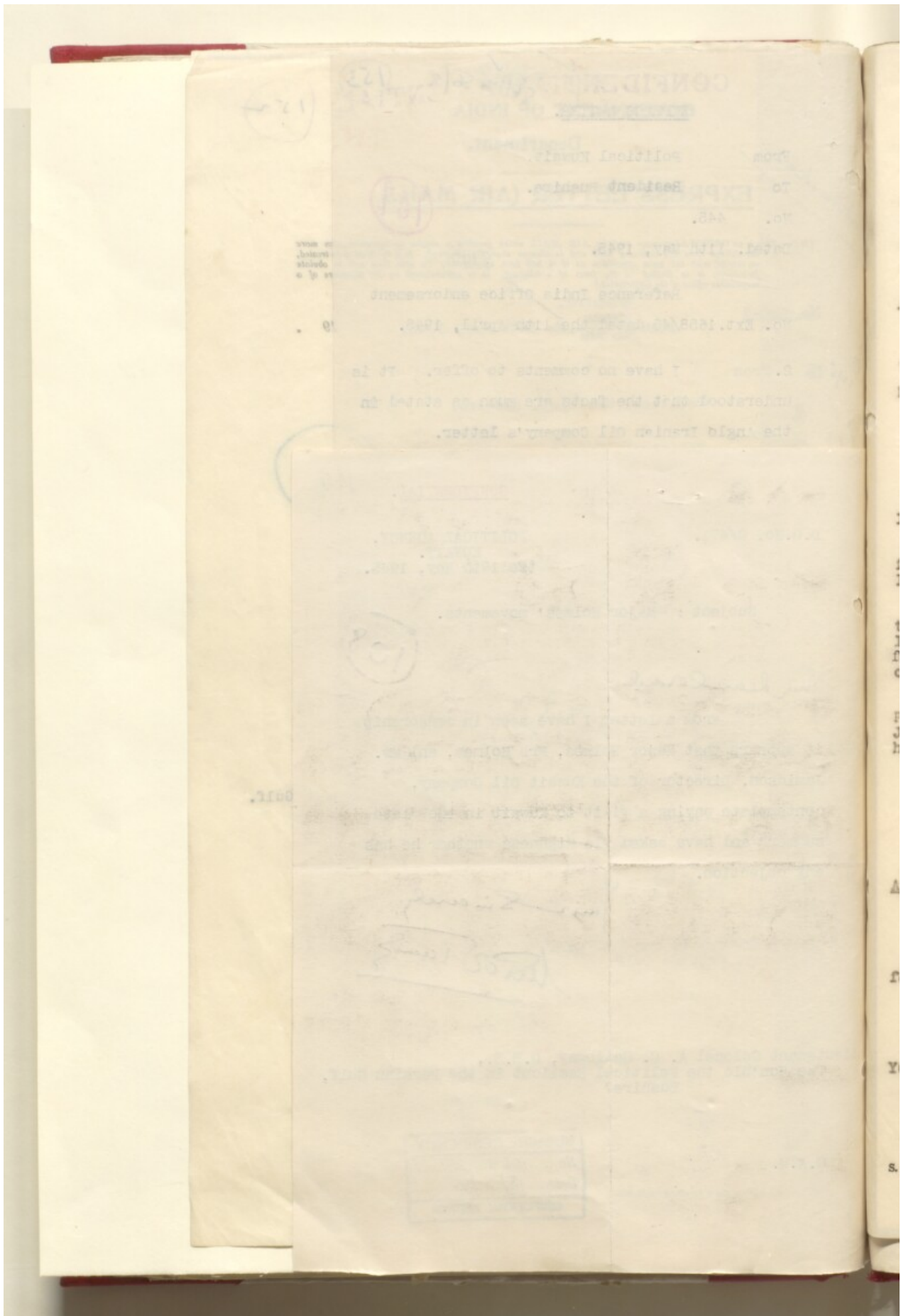
108  
From a letter I have seen in censorship  
it appears that Major Holmes, Mrs Holmes, and Mr.  
Jamieson, Director of the Kuwait Oil Company,  
contemplate paying a visit to Kuwait in the "late  
summer" and have asked His Highness whether he has  
any objection.

Yours Sincerely,  
A.C. Galloway

Lieutenant Colonel A. C. Galloway, O.B.E.,  
The Hon'ble the Political Resident in the Persian Gulf,  
Bushire.

G.A.M.









36/2 + 36/3  
155  
GOVERNMENT OF INDIA.

Department.

CONFIDENTIAL

EXPRESS LETTER (AIR MAIL).

[N.B.—This is an ORIGINAL message sent by AIR MAIL which provides a means of communication more expeditious than the ordinary mail and is cheaper than the telegraph. It is intended to be treated, on receipt, with the same expedition as if it had been telegraphed. To save time and to obviate formalities it is drafted in the form of a telegram. It is authenticated by the signature of a responsible officer of the Department.]

No. 572-B.

Bushire

Dated ~~New Delhi~~ the 30th May, 1945.

19X.

To Retaxandum, London.  
Repeated Foreign, New Delhi.  
Political, Kuwait.

109

Reference your Express Letter No. Ext. 1658/45 dated 11th April, 1945.

2. Political Agent, Kuwait, reports that the facts are much as stated in the enclosure to your Express letter under reference.

3. As regards Colonel Dickson, it is possible that Holmes - between whom and Dickson there is little love lost - had been trying to secure the termination of the former's appointment. The Shaikh himself has made no complaint to the Political Agent against Dickson.

4. An intercept seen in censorship by the Political Agent, Kuwait, reveals that Holmes, Mrs. Holmes and Jameson contemplate visiting Kuwait in the "late summer" and have asked His Highness whether he has any objection.

Gd/- A.C. Galloway.

Political Resident, Persian Gulf.

Attested

230.5.45 o/c

for Secretary to the Political Resident,  
Persian Gulf.

YG.

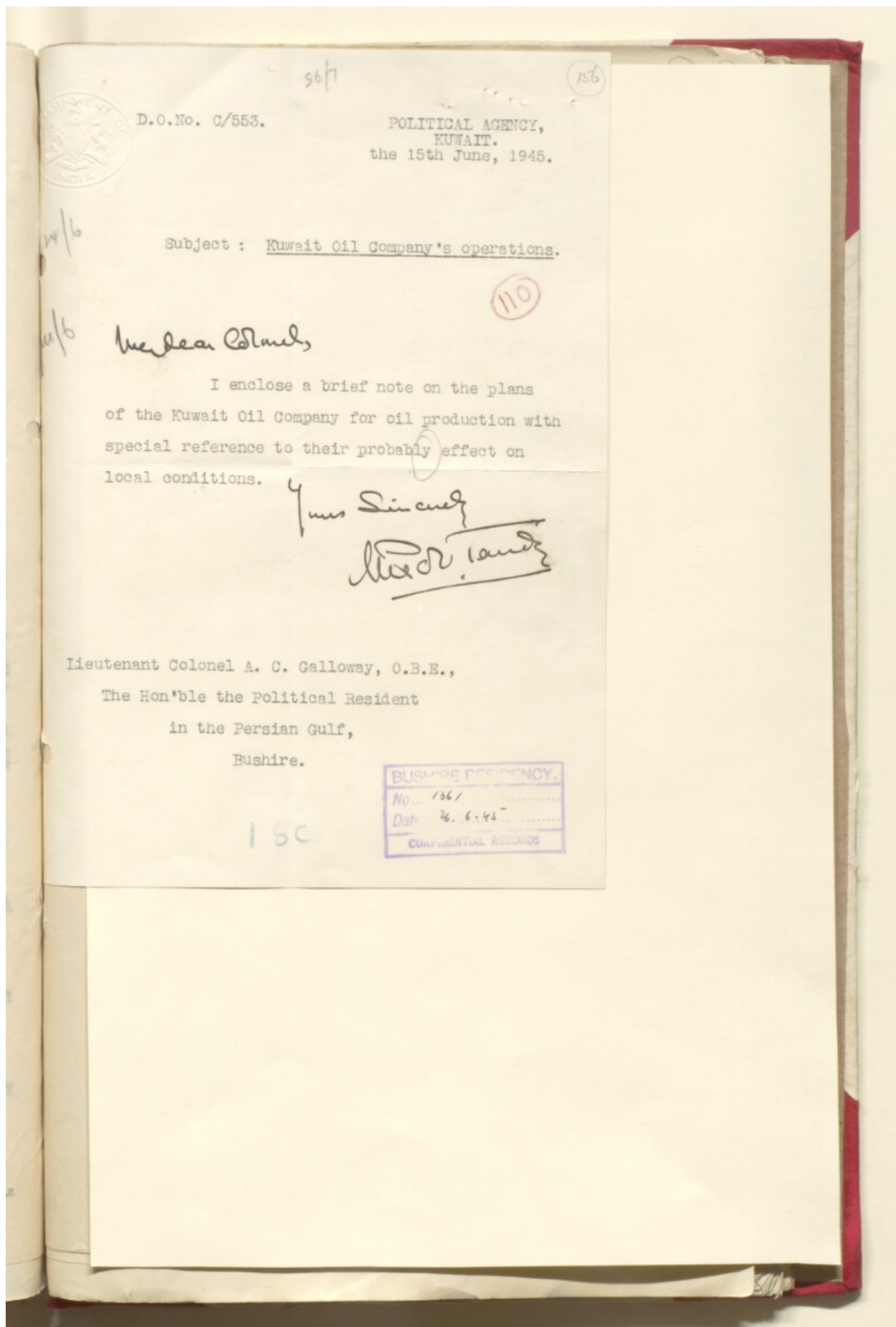
(Signature)

(Designation)

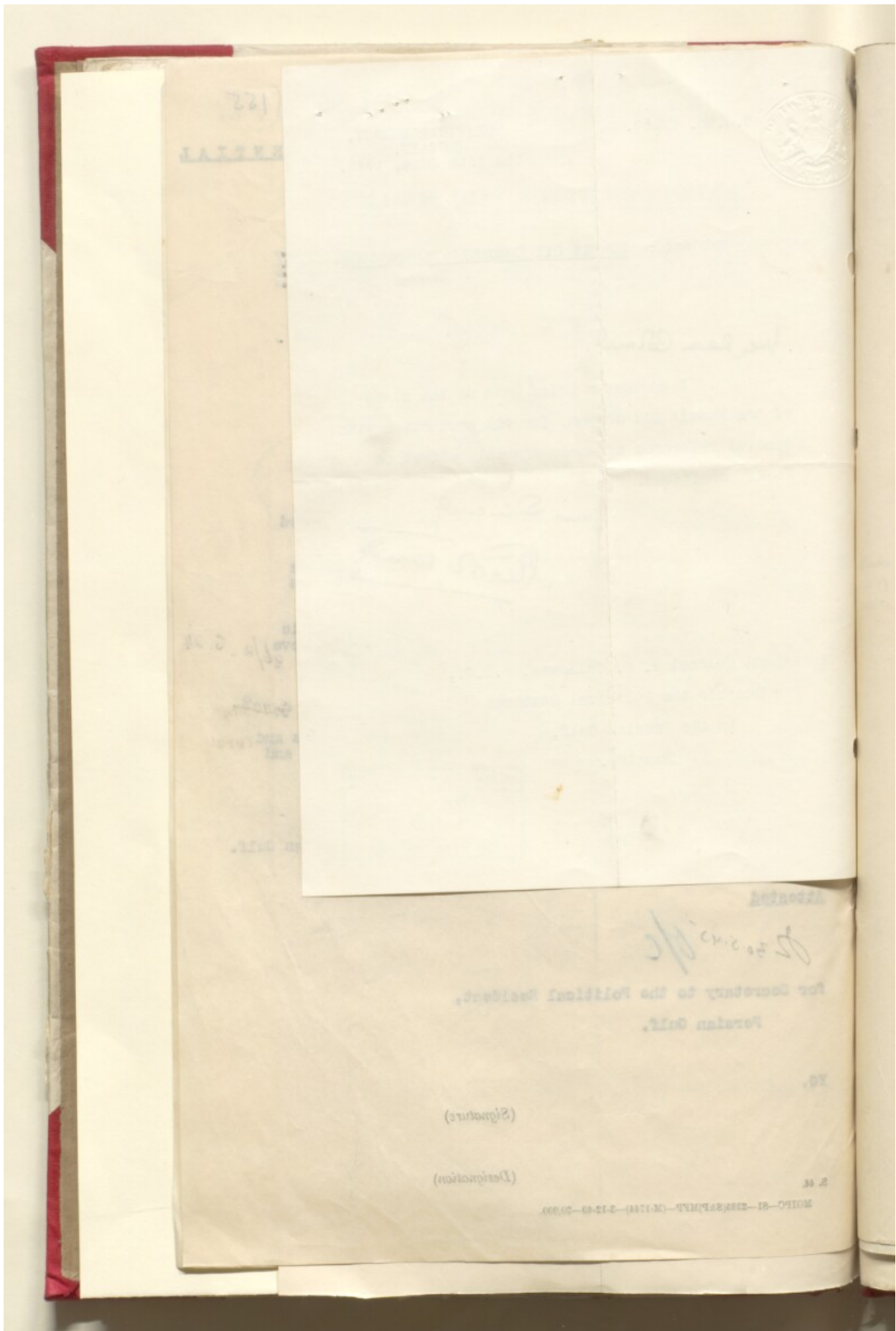
S. 44.

MGIPC-S1-2385(S&P)MFP-(M-1744)-3-12-40-20,000.











CONFIDENTIAL

KUWAIT OIL COMPANY'S DEVELOPMENT PLAN.

Part I. The Plan.

1. The Company was instructed in April last to take the necessary measures to produce 30,000 barrels\* of crude oil daily by April 1946. For various reasons it is considered that this will not be possible and that crude oil cannot be produced until June. The plans which the Company have prepared involve :

(a) The following increases in personnel :

	September 1945	January 1946 (Peak figure)
Senior Staff (British and American)	56	85
Junior Staff (mostly Indians)	54	64
Artisans (Indians, Iraqis or Persians)	80	120
Labour (local if possible)	500	630
Local contract labour	500	760
<b>Total</b>	<b>1190</b>	<b>1659</b>

The final figures when construction is completed will be somewhere between the two sets given above.

(b) The unloading between now and the target date of 14,000 tons of equipment from the United Kingdom and the United States and 3,000 from Abadan, besides bringing 4,000 tons of shingle from Subiya, and

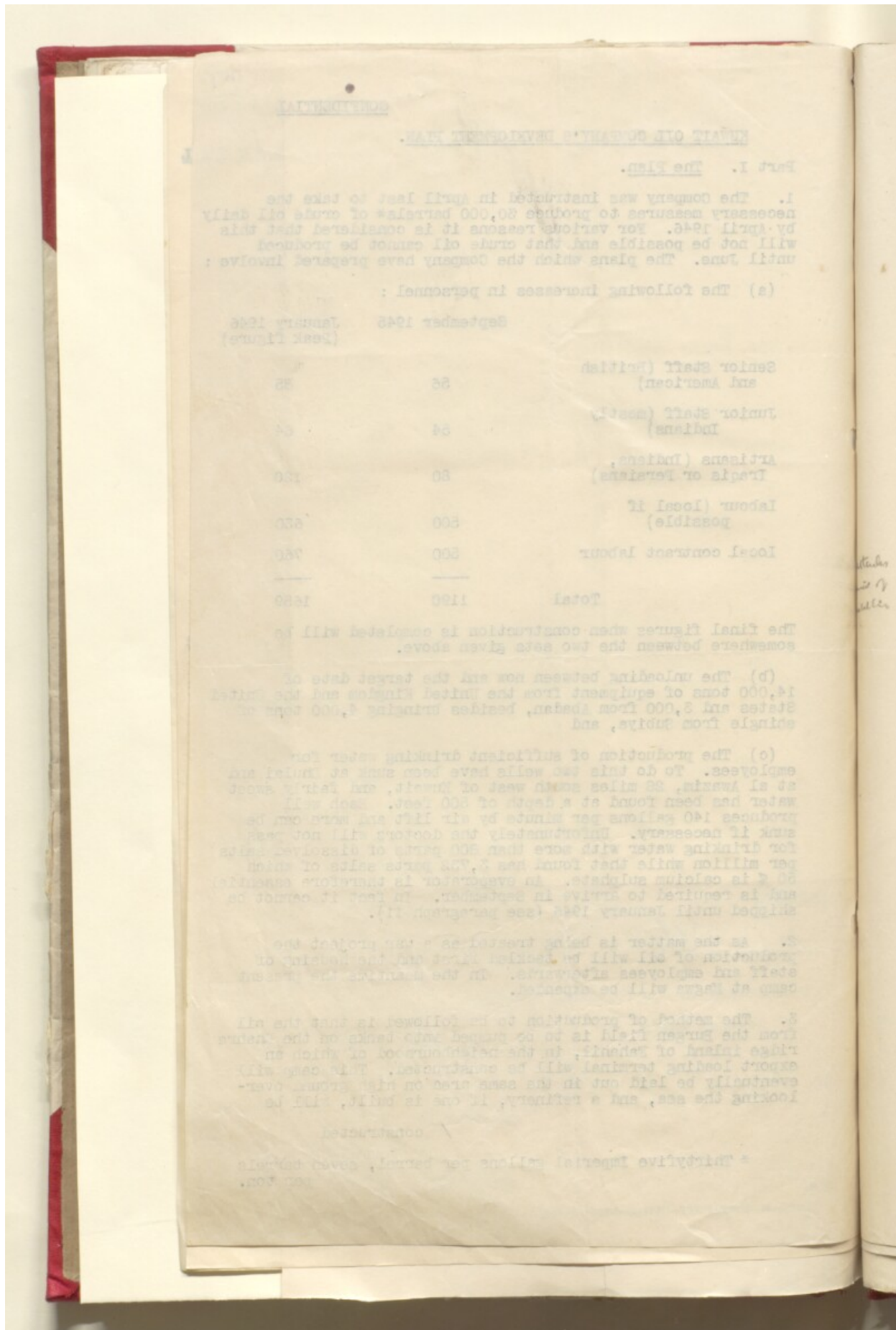
(c) The production of sufficient drinking water for employees. To do this two wells have been sunk at Dhulai and at al Awazin, 28 miles south west of Kuwait, and fairly sweet water has been found at a depth of 500 feet. Each well produces 140 gallons per minute by air lift and more can be sunk if necessary. Unfortunately the doctors will not pass for drinking water with more than 800 parts of dissolved salts per million while that found has 3,732 parts salts of which 50 % is calcium sulphate. An evaporator is therefore essential and is required to arrive in September. In fact it cannot be shipped until January 1946 (see paragraph 11).

2. As the matter is being treated as a war project the production of oil will be tackled first and the housing of staff and employees afterwards. In the meantime the present camp at Magwa will be expanded.

3. The method of production to be followed is that the oil from the Burgan field is to be pumped into tanks on the Dhahra ridge inland of Fahahil, in the neighbourhood of which an export loading terminal will be constructed. This camp will eventually be laid out in the same area on high ground overlooking the sea, and a refinery, if one is built, will be

/ constructed

\* Thirtyfive Imperial gallons per barrel, seven barrels per ton.







- 2 -

constructed nearby.

4. The pipelines (including 10½ miles 10 inch, 5½ miles 22 inch and 1 mile 12 inch submarine, as well as nearly 80 miles of water pipelines mostly of small calibre) will be constructed by a unit of the Anglo Iranian Oil Company. Although upwards of 100 of the personnel will be Persians they will be self-contained and are expected to give no trouble.

5. The same may not be the case with the personnel of the Motherwell Bridge and Engineering Company who will construct the tanks. The most important tanks will be the four containing a total of 4.7 million gallons to be built at Dhahra. The men will be British rivetters and welders straight from the United Kingdom.

#### PART II. Local Repercussions.

6. (See paragraph 1). His Highness will draw in the first year approximately £ 200,000 in royalties out of which he will have to pay back advance royalties drawn, so that the total paid to him may not actually be more than a million rupees. In the second year he will probably draw £ 390,000\*. If this goes into his own pocket as at present and no attempt is made to share it with the State and to modernise the administration, I foresee serious constitutional troubles. Particularly will this be the case as the receipt of royalties will probably coincide with the removal of British forces from Iraq and the cessation of the trade boom which has kept the town prosperous and the merchants busy and out of mischief in the last few years.

7. See paragraph 1 (a). The increased employment would, before the war, have been very welcome for its beneficial effect on local conditions. Now the position is reversed. All available labour is busy building houses for profiteers and the rates being paid are fantastically high (unskilled labour annas twelve per day pre-war against £ 5/- per day now). The demands of the Oil Company may well aggravate this as the amount of labour available is very small. I am in favour of the company importing labour if local labour is not forthcoming at a competitive rate and I anticipate that the State authorities can be persuaded to agree to this in their own interests.

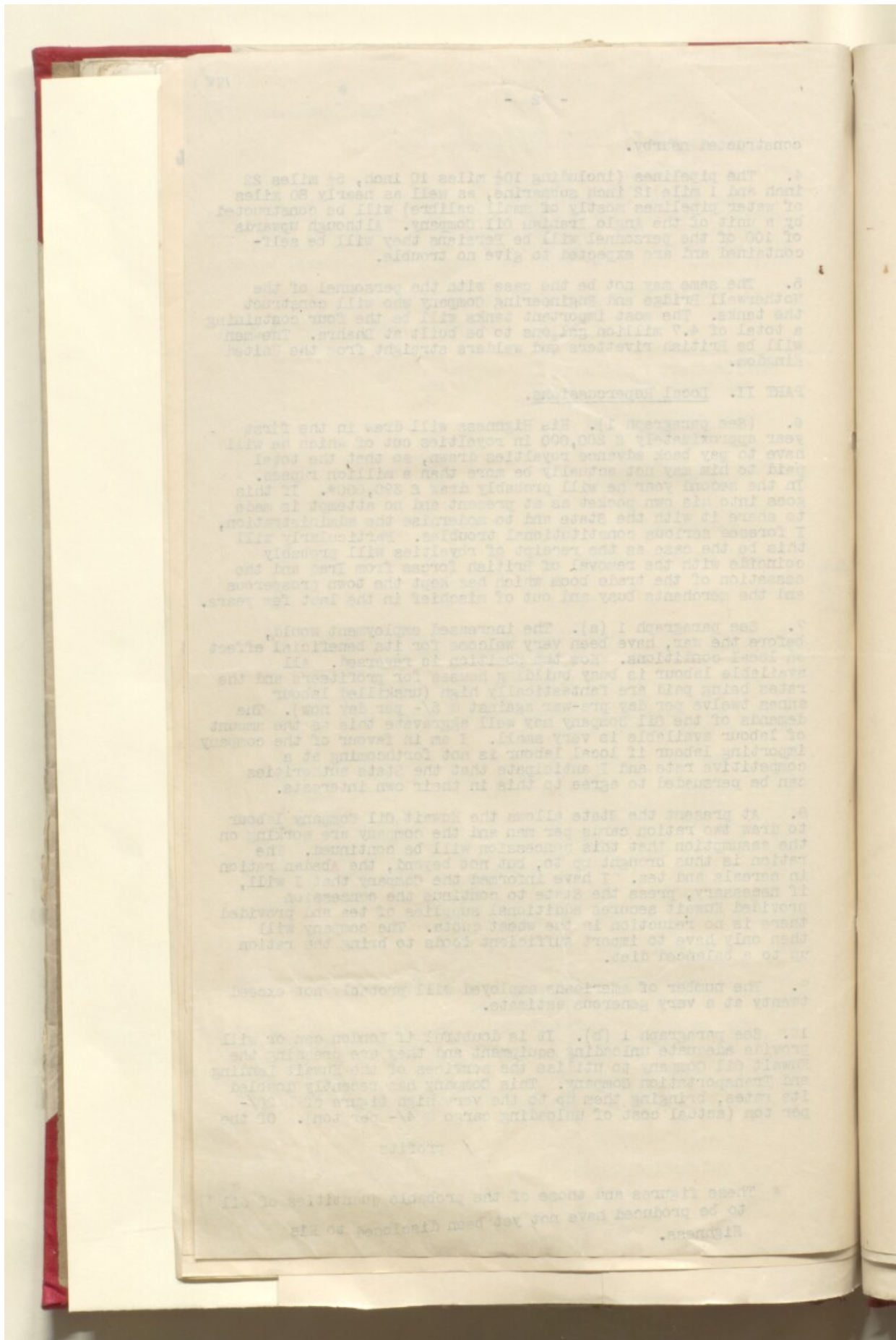
8. At present the State allows the Kuwait Oil Company labour to draw two ration cards per man and the company are working on the assumption that this concession will be continued. The ration is thus brought up to, but not beyond, the Abadan ration in cereals and tea. I have informed the Company that I will, if necessary, press the State to continue the concession provided Kuwait secures additional supplies of tea and provided there is no reduction in the wheat quota. The company will then only have to import sufficient foods to bring the ration up to a balanced diet.

9. The number of Americans employed will probably not exceed twenty at a very generous estimate.

10. See paragraph 1 (b). It is doubtful if London can or will provide adequate unloading equipment and they are pressing the Kuwait Oil Company to utilise the services of the Kuwait Landing and Transportation Company. This Company has recently doubled its rates, bringing them up to the very high figure of £ 20/- per ton (actual cost of unloading cargo £ 4/- per ton). Of the

/ profits

\* These figures and those of the probable quantities of oil to be produced have not yet been disclosed to His Highness.







- 3 -

(157)

profits 70 % are devoted to the State Revenue, Public Health and Education Departments in a similar manner to the division of the customs takings. A large proportion of the landing company's charges are therefore nothing less than a camouflaged customs duty and the Kuwait Oil Company are exempt from paying customs. They are therefore at present trying to get the Landing Company to quote an economic rate for unloading and propose to make an ex-gratia payment of, say, £ 1,500 to the State Departments. Even if a satisfactory arrangement is made it is my opinion that it will be entirely beyond the Landing Company to unload with reasonable dispatch the tonnage expected.

11. See paragraph 1 (c). The Kuwait Oil Company will have to ask the Kuwait Water Company to tide them over with slightly more than one boom-load of water per day from September to March. This will require seven booms and should be possible at a price.

12. See paragraph 3. The company will use part of the area extending inland six miles from Abu Hulaifa in the north to Shiaina in the south, but it has not yet been decided whether the final area to be selected (which will have a sea frontage of two miles and a depth of six miles) is to be north or south of Fahahil. The latter alternative will cause much less interference with houses and gardens but the sea conditions are possibly not quite so good. His Highness has agreed verbally not to permit the construction of new houses or the bringing into cultivation of new gardens in the whole of the area until the company have decided what land they want. He proposes that the limits of land at present occupied should not be surveyed now, preferring to present the occupiers with a fait accompli when the company have made their decision. It remains to be seen how he will arrange for the company to buy out the occupiers at a reasonable figure.

Kuwait, the 15th June, 1945.







86/1

Telegram S 3.  
From Political Resident, Bushire.  
To India Office, London.  
Repeated Government of India, New Delhi.  
Copy to Senior Naval Officer, Persian Gulf  
Political Agent, Kuwait.  
No. 1149.  
Dated 27th June, 1945.

Residency Endorsement No. C/46 March 6th.

I am informed that Kuwait Oil Company is undertaking on war priority basis production by April 1946 of 30,000 half 60,000 barrels of crude oil per day. Plan is to pump oil from field to point in neighbourhood of Fahahil on coast about 25 miles south of Kuwait from where loading terminal with mile long submarine pipeline is to be constructed.

2. Development measures include (a) immediate large increase in personnel (b) import of 14,000 tons of equipment from United Kingdom and the United States of America. (c) construction of tankage (d) provision of adequate water supply (e) other consequential activities.

GALLOWAY

YG

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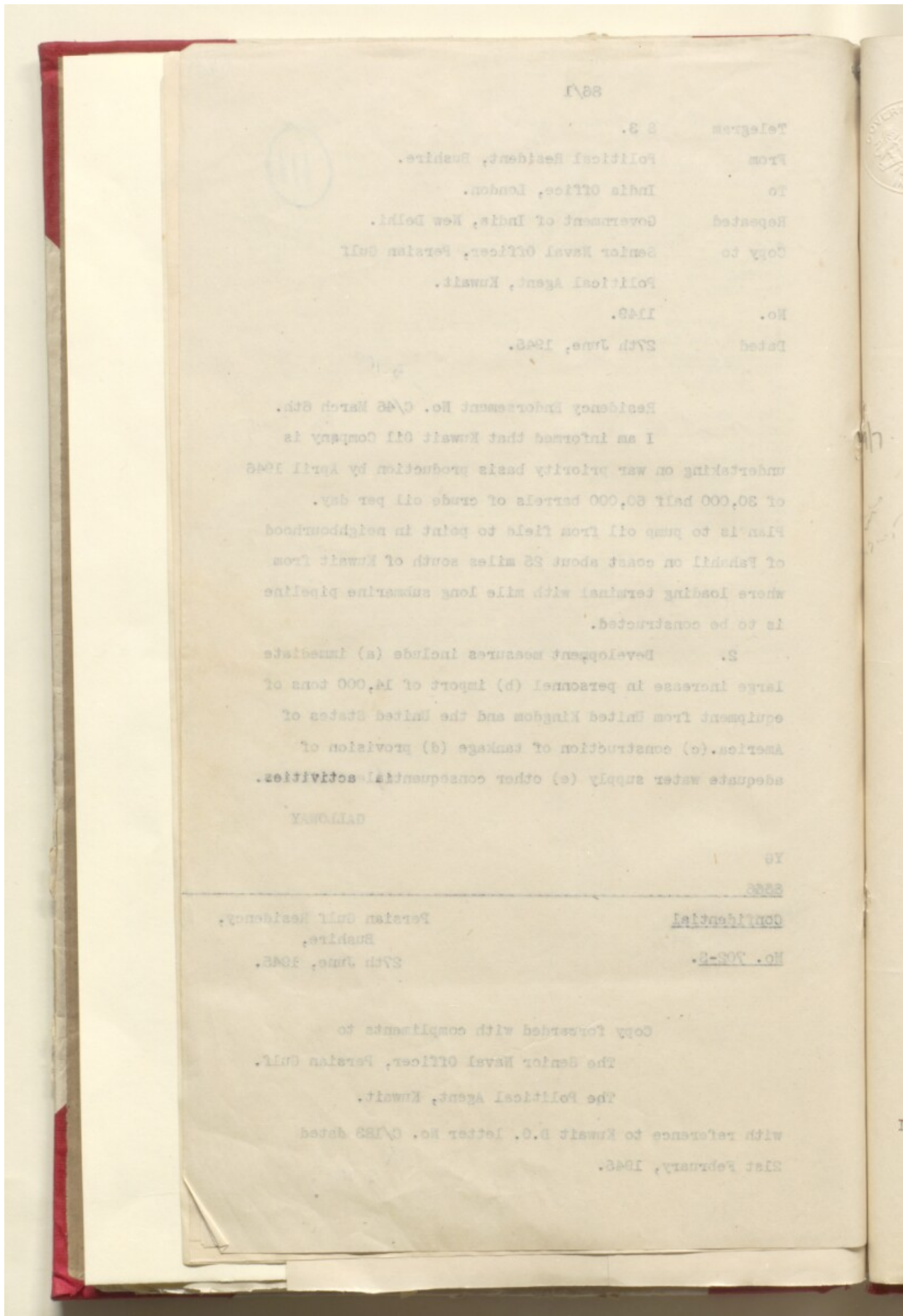
Confidential

No. 702-S.

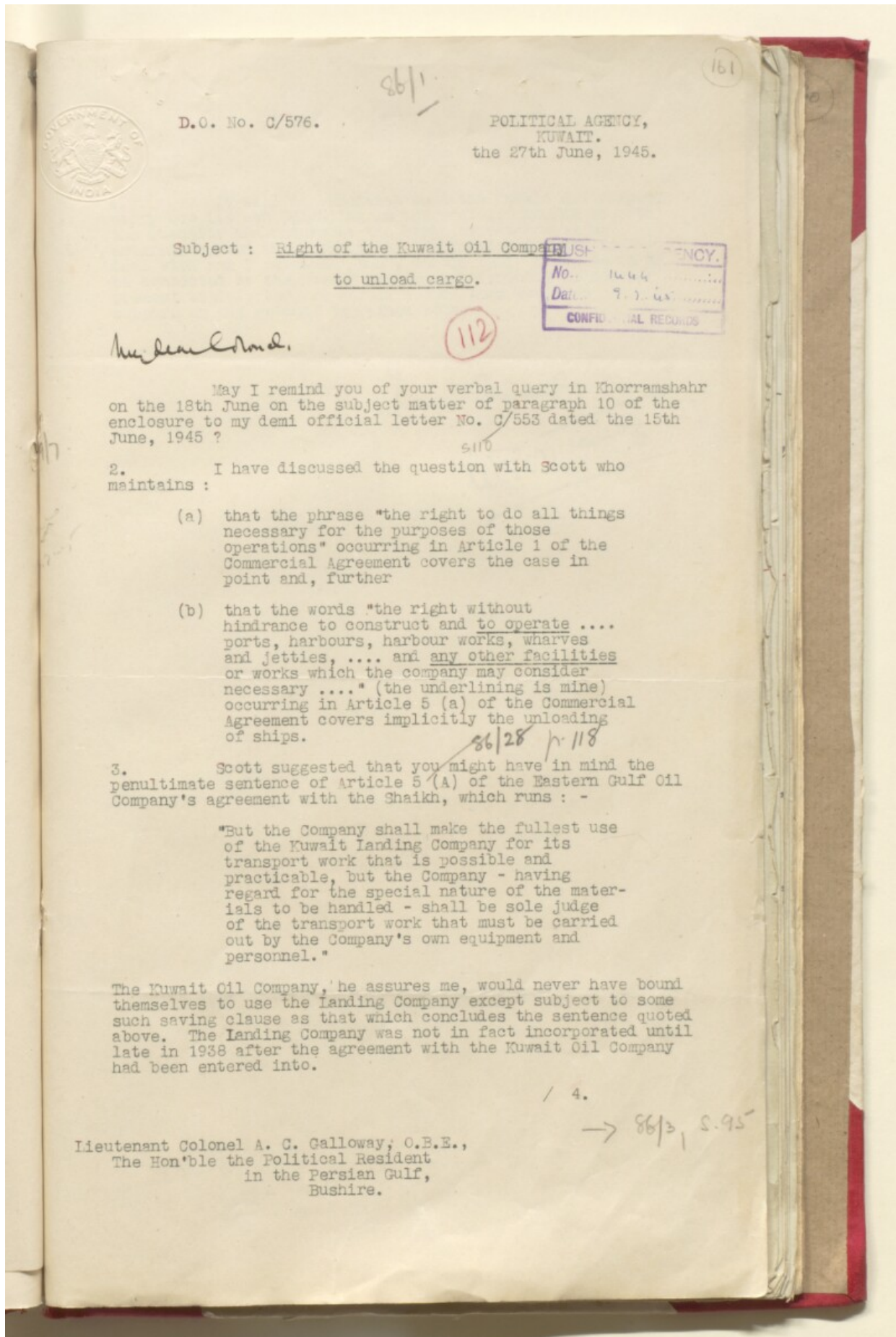
Persian Gulf Residency,  
Bushire,  
27th June, 1945.

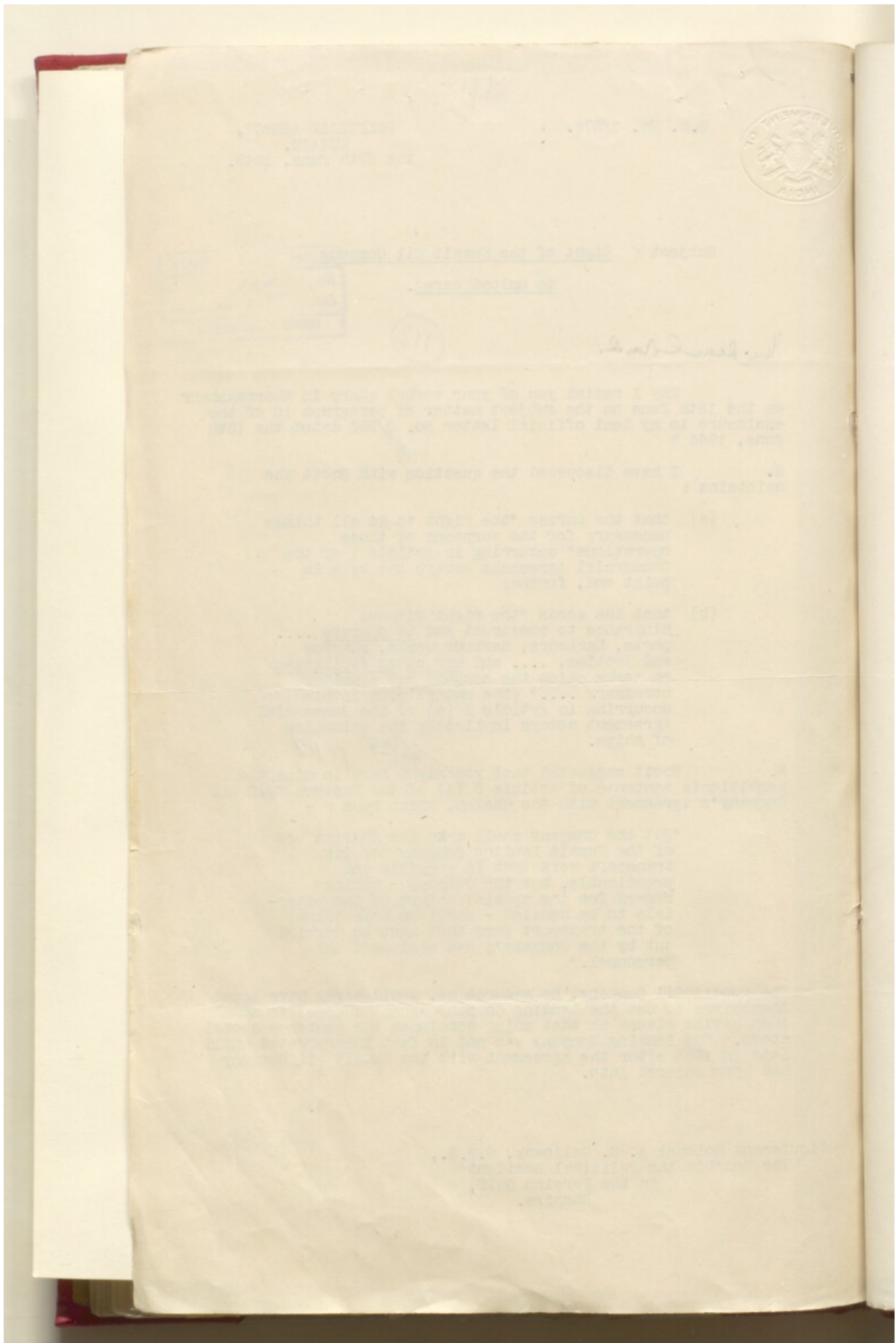
Copy forwarded with compliments to  
The Senior Naval Officer, Persian Gulf.  
The Political Agent, Kuwait.

with reference to Kuwait D.O. letter No. C/183 dated  
21st February, 1945.











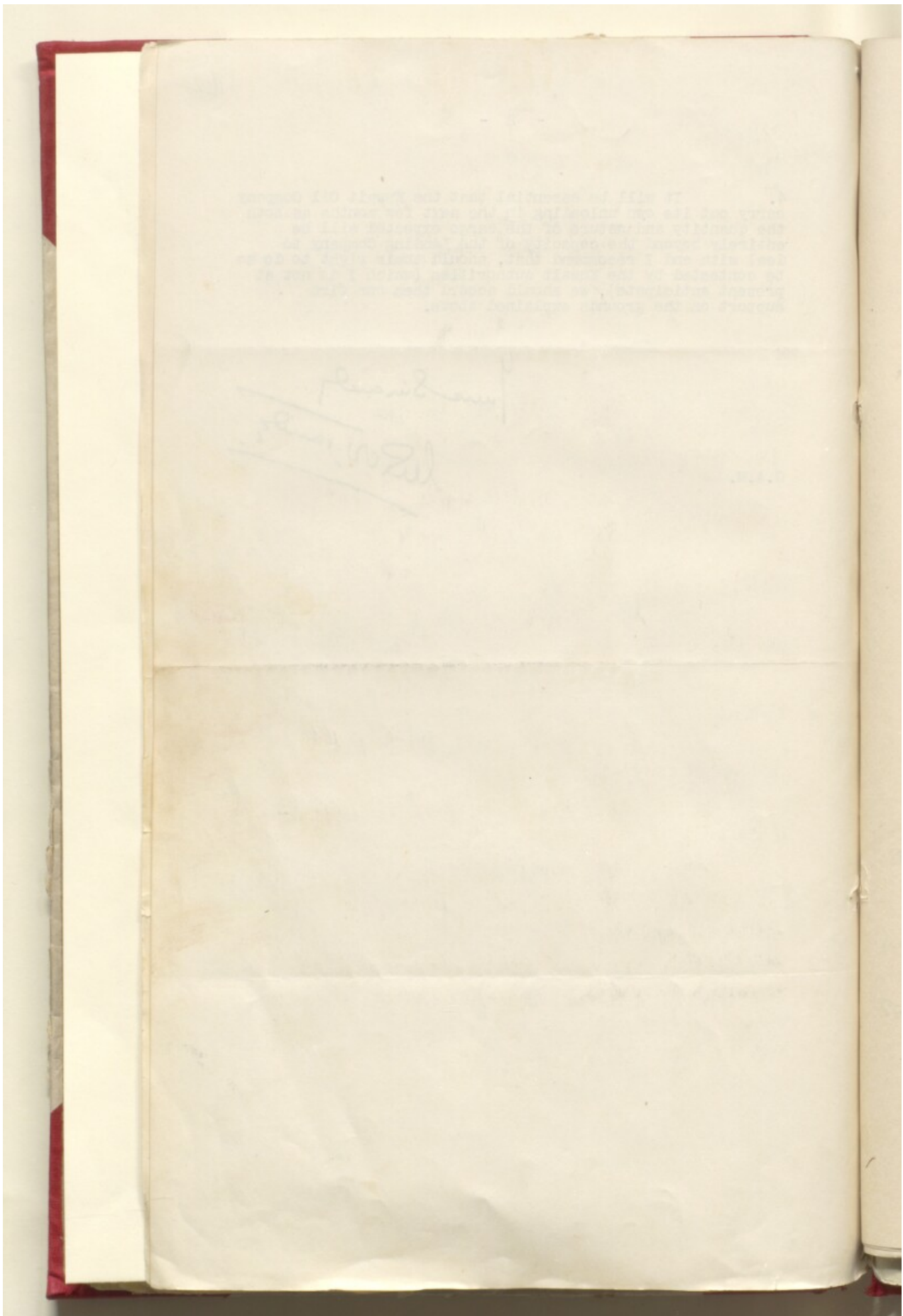
- 2 -

4. It will be essential that the Kuwait Oil Company carry out its own unloading in the next few months as both the quantity and nature of the cargo expected will be entirely beyond the capacity of the Landing Company to deal with and I recommend that, should their right to do so be contested by the Kuwait authorities (which I do not at present anticipate), we should accord them our firm support on the grounds explained above.

Yours sincerely  
W. R. G. G. G.

G.A.M.







86/3 & 86/1

163

Telegram S 6  
From India Office, London.  
To Political Resident, at Shiraz.  
Repeated Government of India, New Delhi.  
Political Agent, Bahrain.  
Political Agent, Kuwait.  
No. 19775  
Dated 7th received 9th September, 1945.

113

22/8/3  
5.105

Paragraph 2 of your telegram T/358 August 21st.  
Gray Mackenzie are taking following measures for  
improvement of services :-

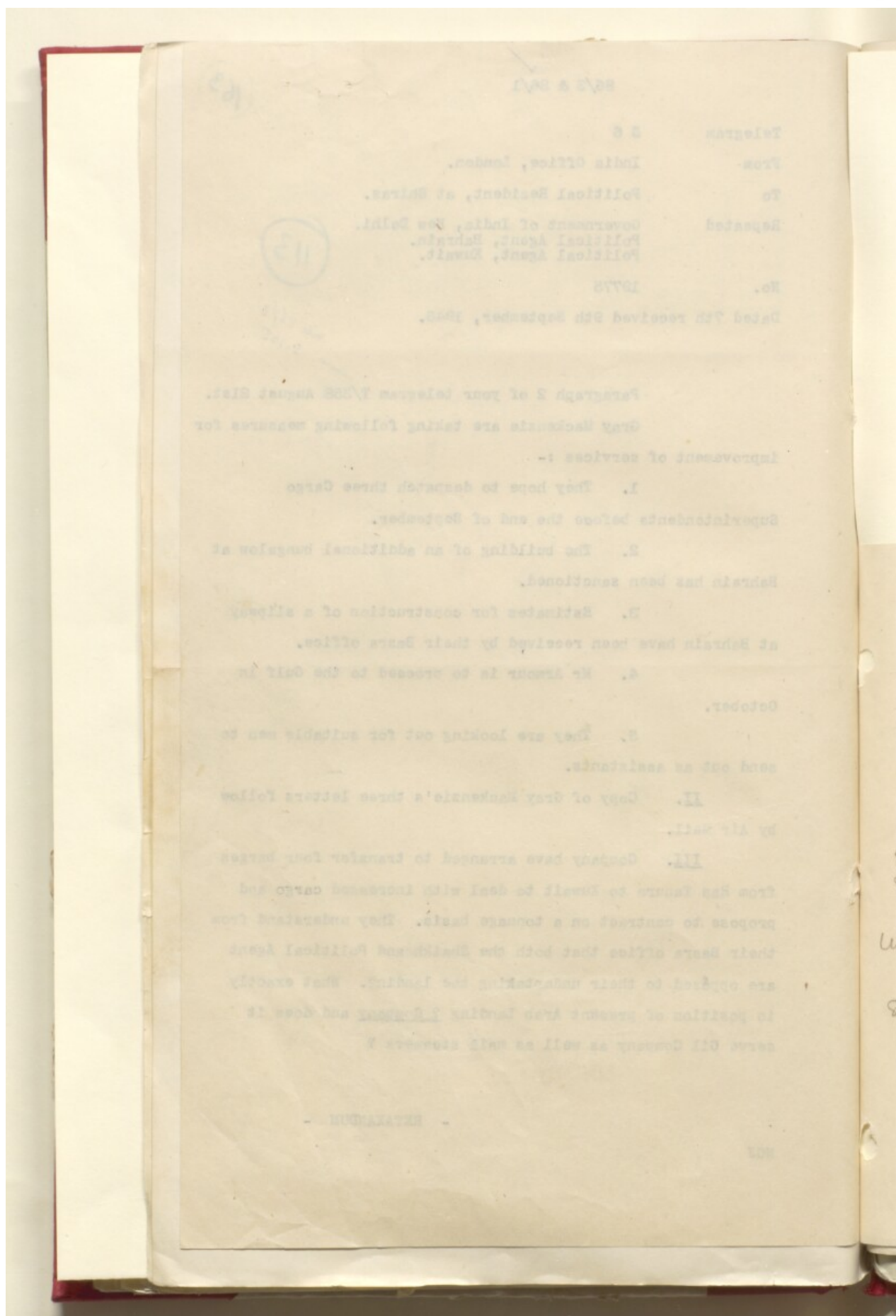
1. They hope to despatch three Cargo Superintendents before the end of September.
2. The building of an additional bungalow at Bahrain has been sanctioned.
3. Estimates for construction of a slipway at Bahrain have been received by their Basra office.
4. Mr Armour is to proceed to the Gulf in October.
5. They are looking out for suitable men to send out as assistants.

II. Copy of Gray Mackenzie's three letters follow by Air Mail.

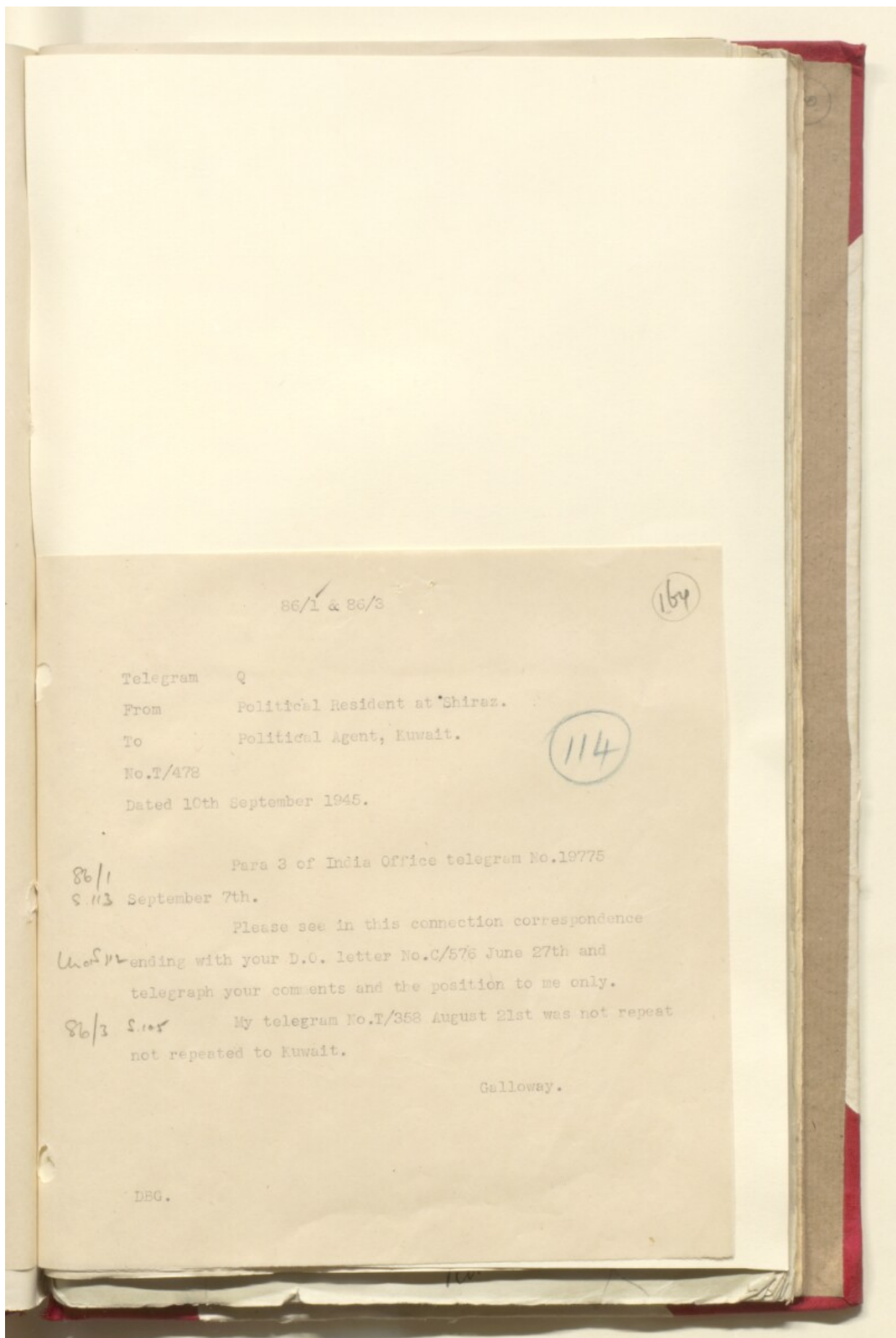
III. Company have arranged to transfer four barges from Ras Tanura to Kuwait to deal with increased cargo and propose to contract on a tonnage basis. They understand from their Basra office that both the Shaikh and Political Agent are opposed to their undertaking the landing. What exactly is position of present Arab Landing ? Company and does it serve Oil Company as well as mail steamers ?

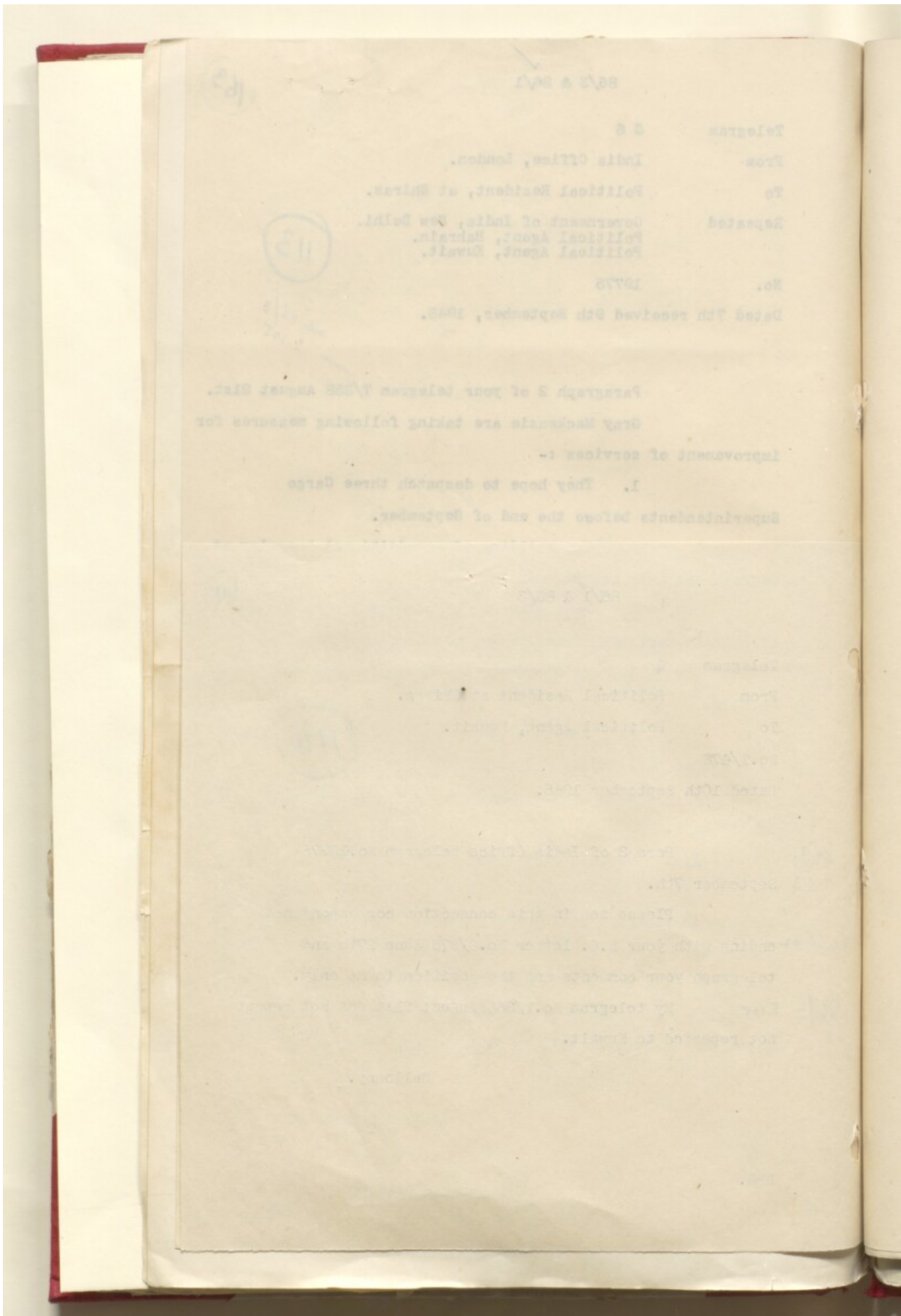
- RETAXANDUM -

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86/1 & 86/3.

165

Telegram S (Agency).  
From Political Agent, Kuwait.  
To Political Resident at Shiraz.  
No. 845.  
Dated 14th received 15th September, 1945.

115

Dated the 14th September, 1945.

S. 114

Your telegram No. T/478 September

10th. Unloading facilities.

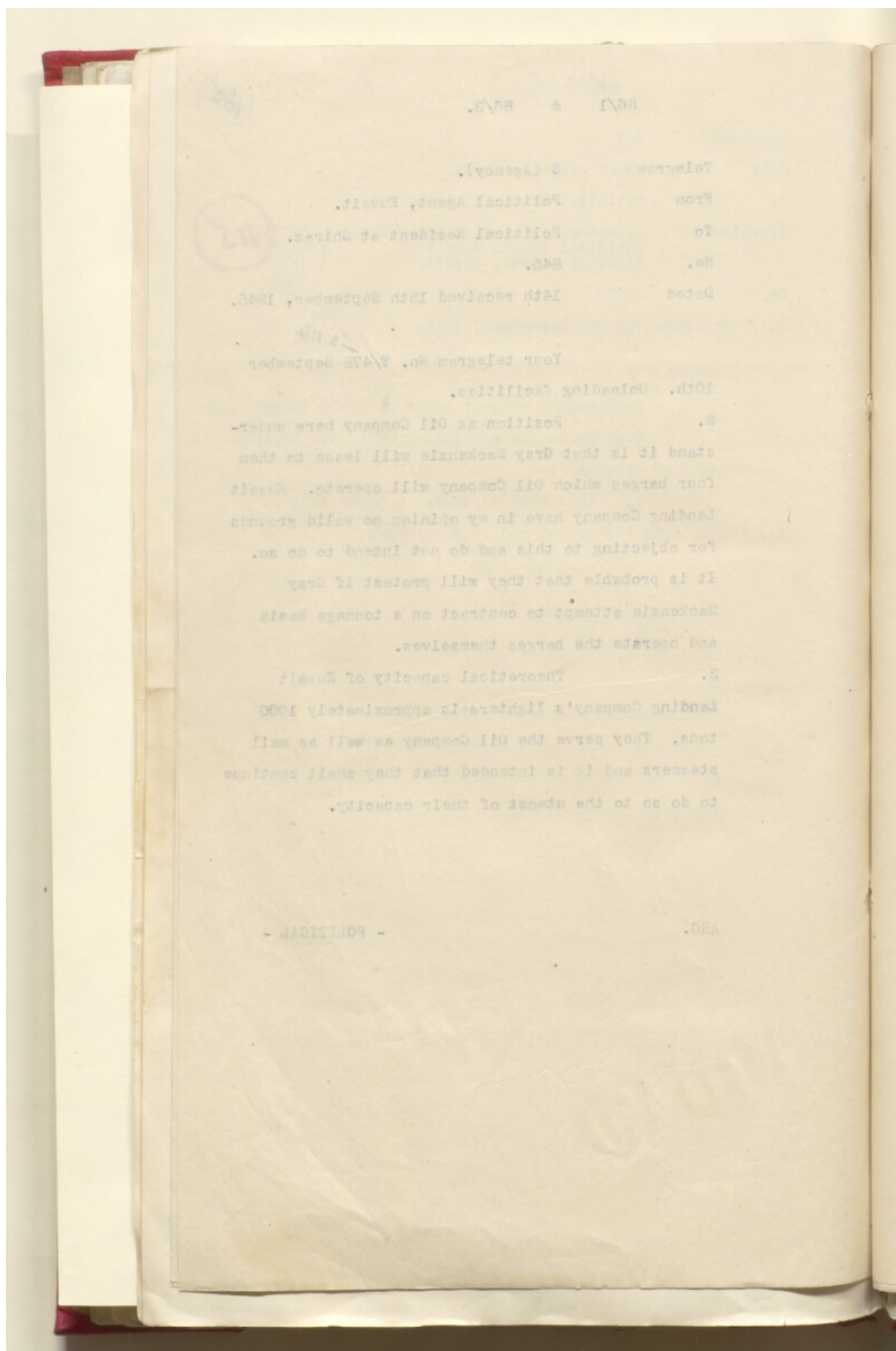
2. Position as Oil Company here understand it is that Gray Mackenzie will lease to them four barges which Oil Company will operate. Kuwait Landing Company have in my opinion no valid grounds for objecting to this and do not intend to do so. It is probable that they will protest if Gray Mackenzie attempt to contract on a tonnage basis and operate the barges themselves.

3. Theoretical capacity of Kuwait Landing Company's lighters is approximately 1000 tons. They serve the Oil Company as well as mail steamers and it is intended that they shall continue to do so to the utmost of their capacity.

ARG.

- POLITICAL -







86/1

166

Telegram S 6  
From Political Resident, at Shiraz.  
To India Office. London.  
Repeated Government of India, New Delhi.  
Political Agent, Kuwait.  
No. T/572  
Dated the 21st September, 1945.

116

S. 113

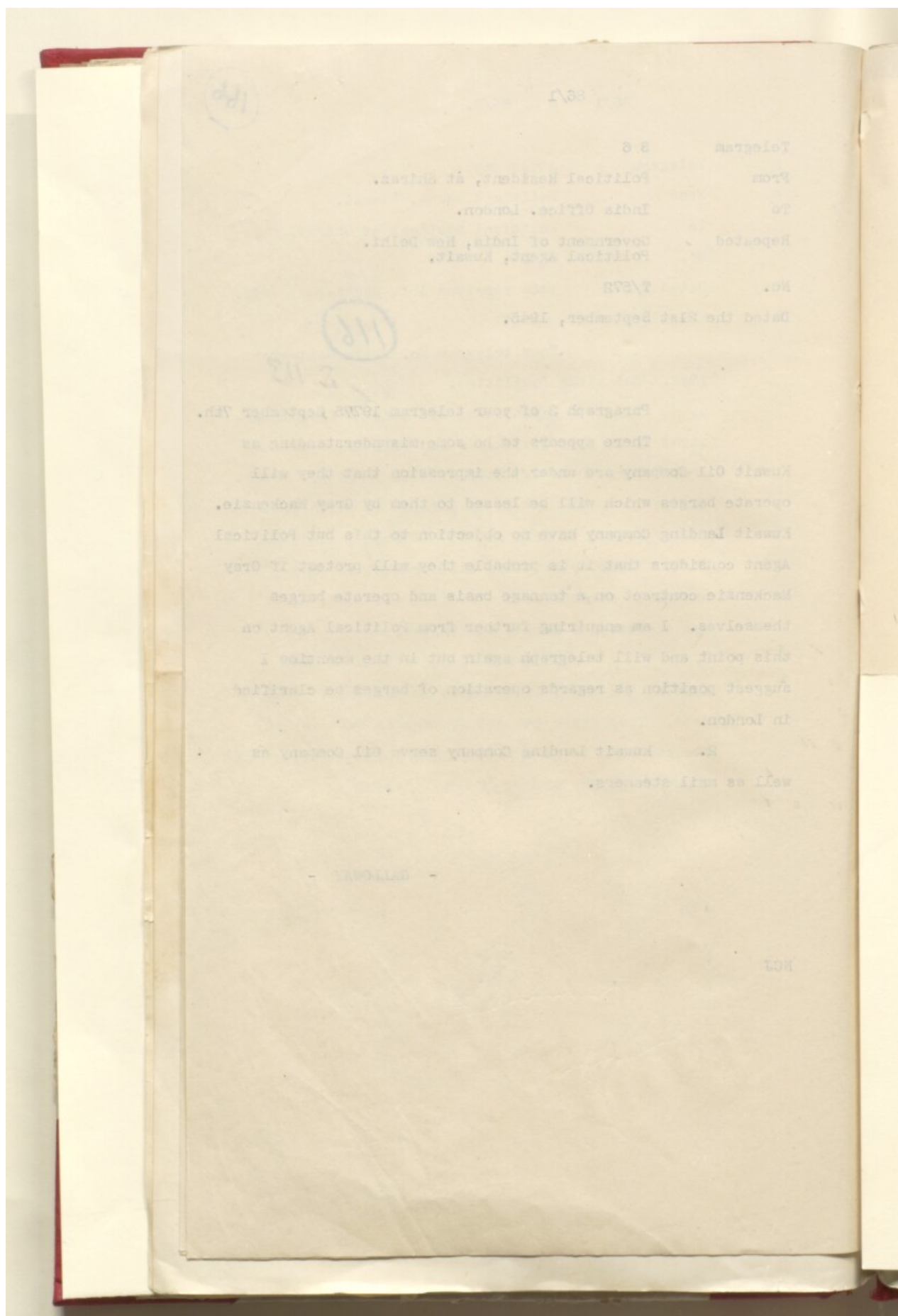
Paragraph 3 of your telegram 19775 September 7th.

There appears to be some misunderstanding as Kuwait Oil Company are under the impression that they will operate barges which will be leased to them by Gray Mackenzie. Kuwait Landing Company have no objection to this but Political Agent considers that it is probable they will protest if Gray Mackenzie contract on a tonnage basis and operate barges themselves. I am enquiring further from Political Agent on this point and will telegraph again but in the meantime I suggest position as regards operation of barges be clarified in London.

2. Kuwait Landing Company serve Oil Company as well as mail steamers.

- GALLOWAY -

NCJ







86/1

167

Telegram S (Agency)  
From Political Resident at Shiraz.  
To Political Agent, Kuwait.  
No.T/573  
Dated 21st September 1945.

117

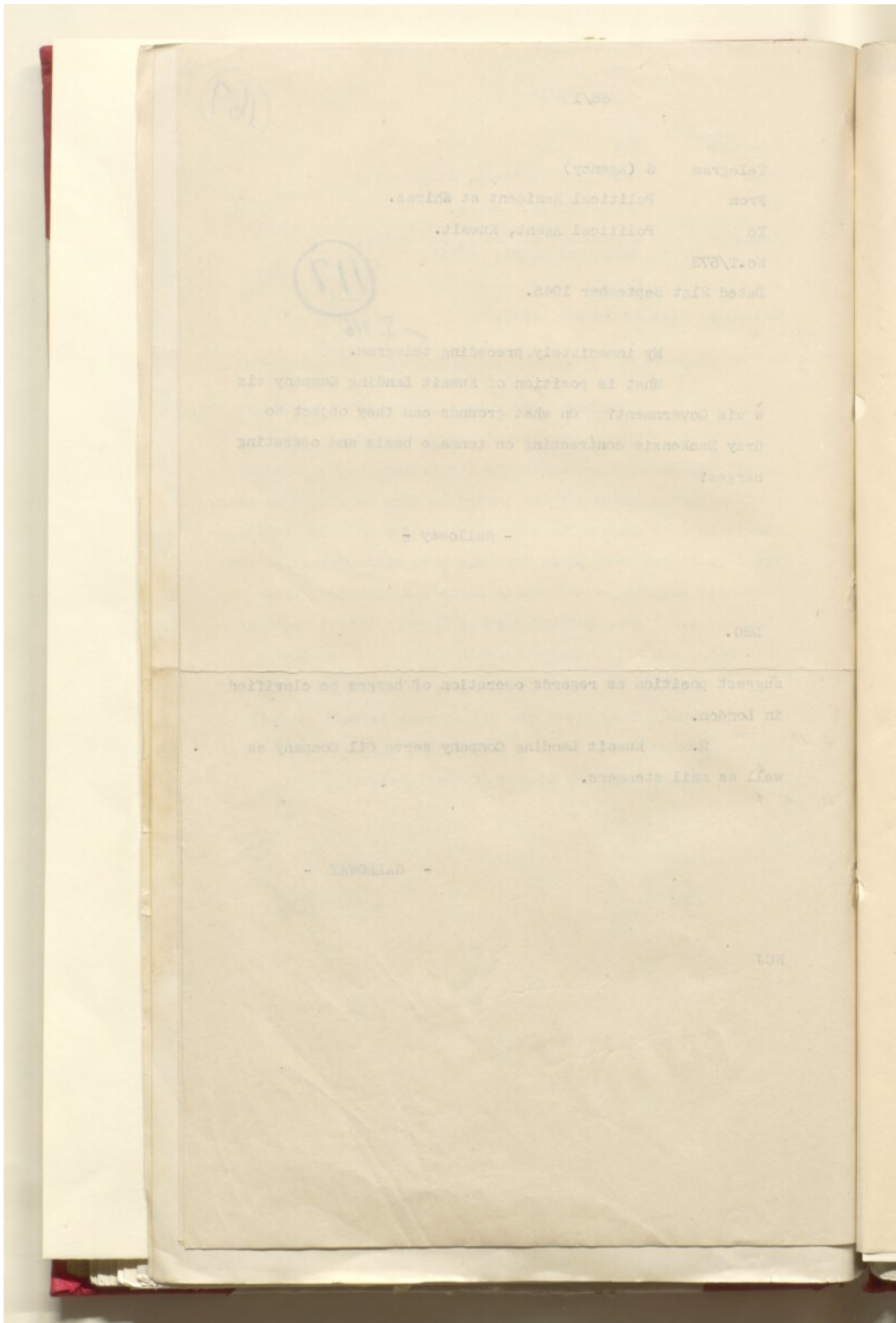
S. 116

My immediately preceding telegram.

What is position of Kuwait Landing Company vis  
à vis Government? On what grounds can they object to  
Gray Mackenzie contracting on tonnage basis and operating  
barges?

- Galloway #

DBG.





86/1.

168

Telegram      3 (Agency).  
From          Political Agent, Kuwait.  
To             Political Resident at Shiraz.  
No.            879.  
Dated          and received 26th September, 1945.

5-117 (118)  
Your telegram No. T/573 September 21st.

Unloading facilities.

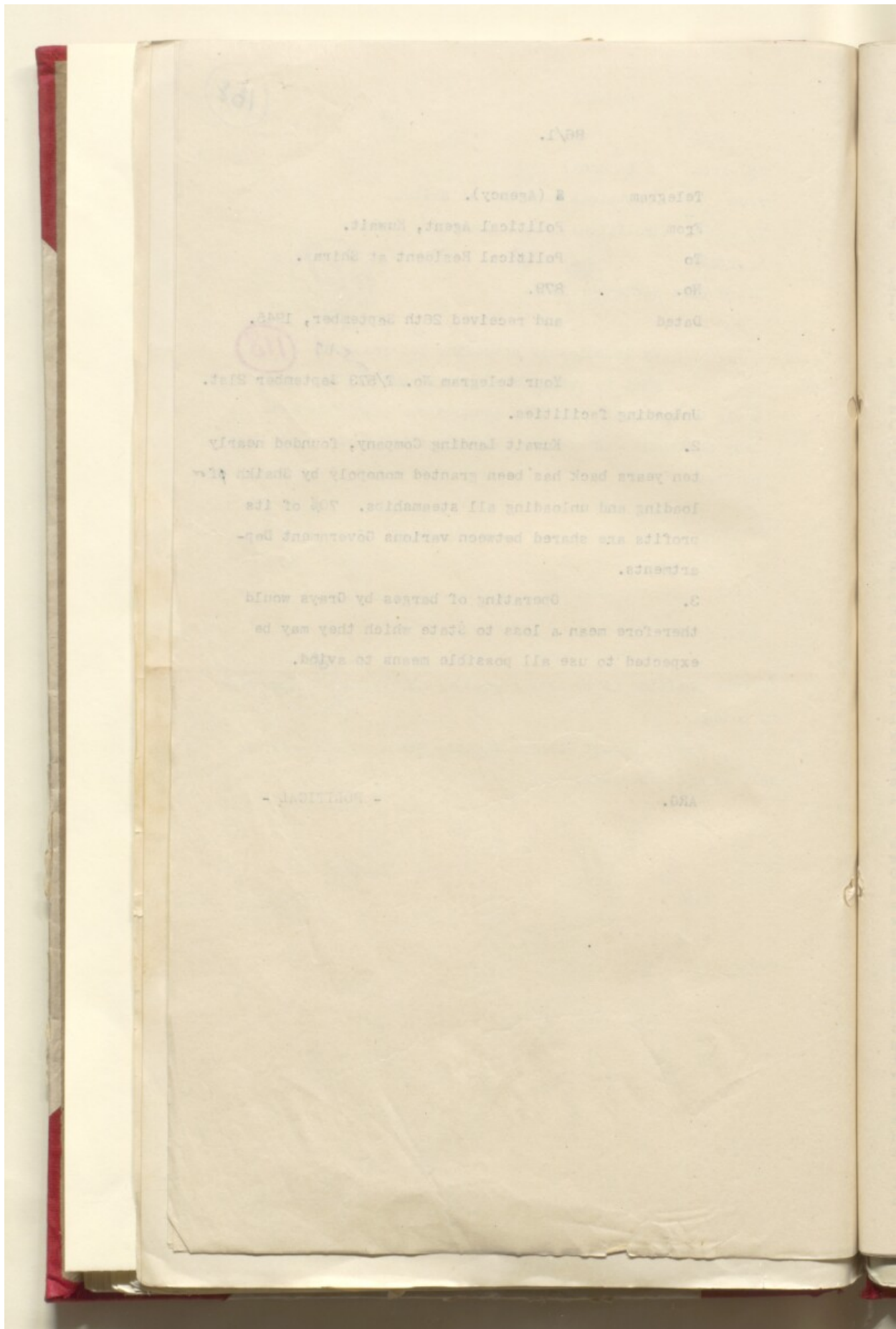
2.             Kuwait Landing Company, founded nearly ten years back has been granted monopoly by Shaikh for loading and unloading all steamships. 70% of its profits are shared between various Government Departments.

3.             Operating of barges by Grays would therefore mean a loss to State which they may be expected to use all possible means to avoid.

ARG.

- POLITICAL -







86/1

169

Telegram 2

From Political Resident, Bushire.  
To India Office, London.  
Repeated Government of India, New Delhi.  
Copy to Political Agent, Kuwait.  
No. 1541.

119

Dated the 10th October, 1945.

Kuwait Landing Company founded ten years back holds monopoly from Shaikh for serving all shipping. It is to all intents and purposes a State organisation. Landing Company could therefore object to operation of barges in question by Gray Mackenzie. To avoid this difficulty and as Landing Company have no objection to operation of barges by Kuwait Oil Company best course would be for that company to operate them by arrangement with Gray Mackenzie.

- GALLOWAY -

Telegram 3 (3)

From Political Resident, Bushire.  
To India Office, London.  
Repeated Government of India, New Delhi.  
Copy to Political Agent, Kuwait.  
No. 1542.

120

Dated the 10th October, 1945.

My immediately preceding telegram is in continuation of paragraph No.2 of my telegram No. T/572 September 21st.

- GALLOWAY -

ML.

CONFIDENTIAL  
No. 853-5

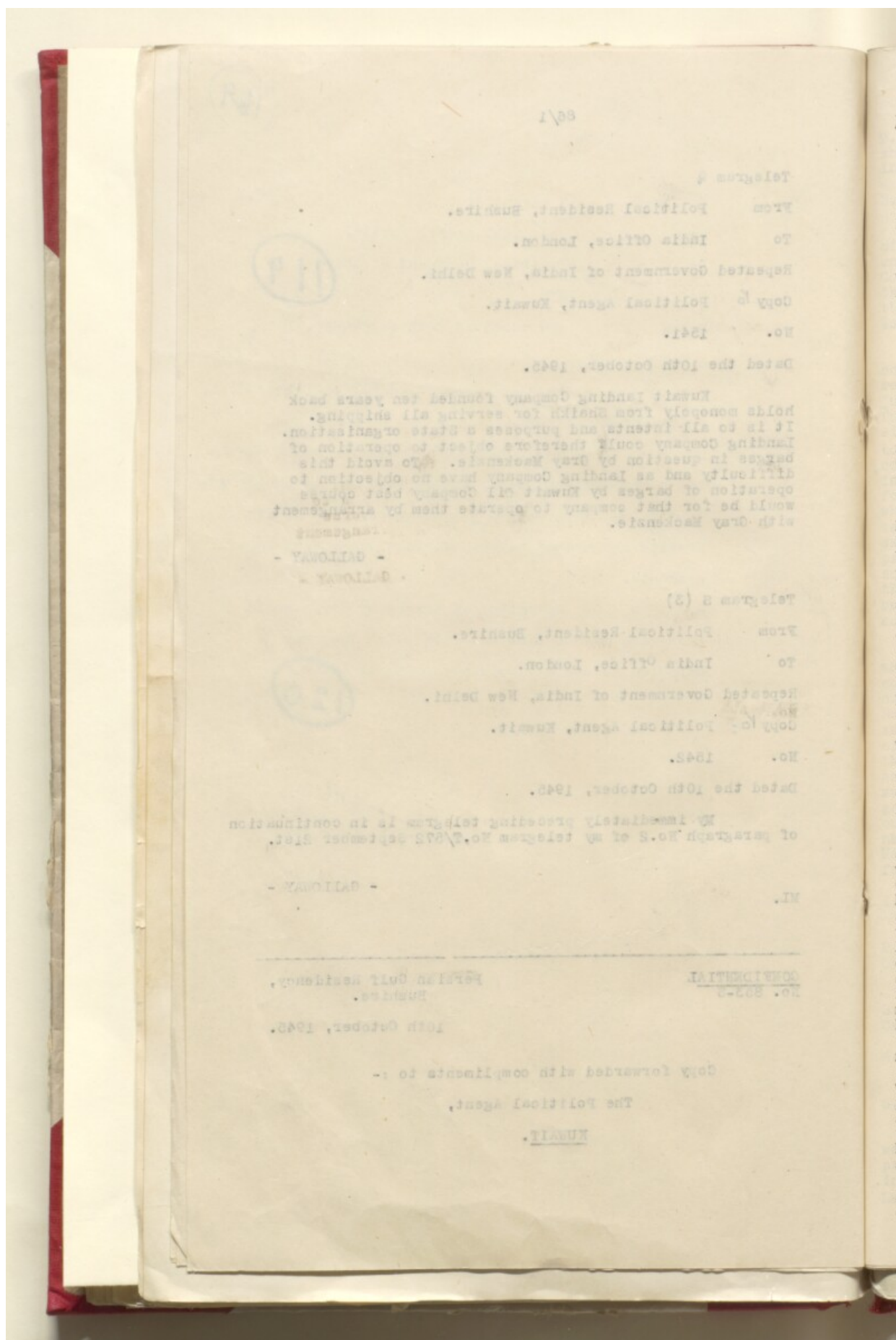
Persian Gulf Residency,  
Bushire.

10th October, 1945.

Copy forwarded with compliments to :-

The Political Agent,

KUWAIT.







*Copy received under letter No. Sak 4426/45 dated 15/9/45 from S/o London*

86/1 XII

Busreh, 11th August 1945.

MEMORANDUM

BAHREIN

(121) (170)

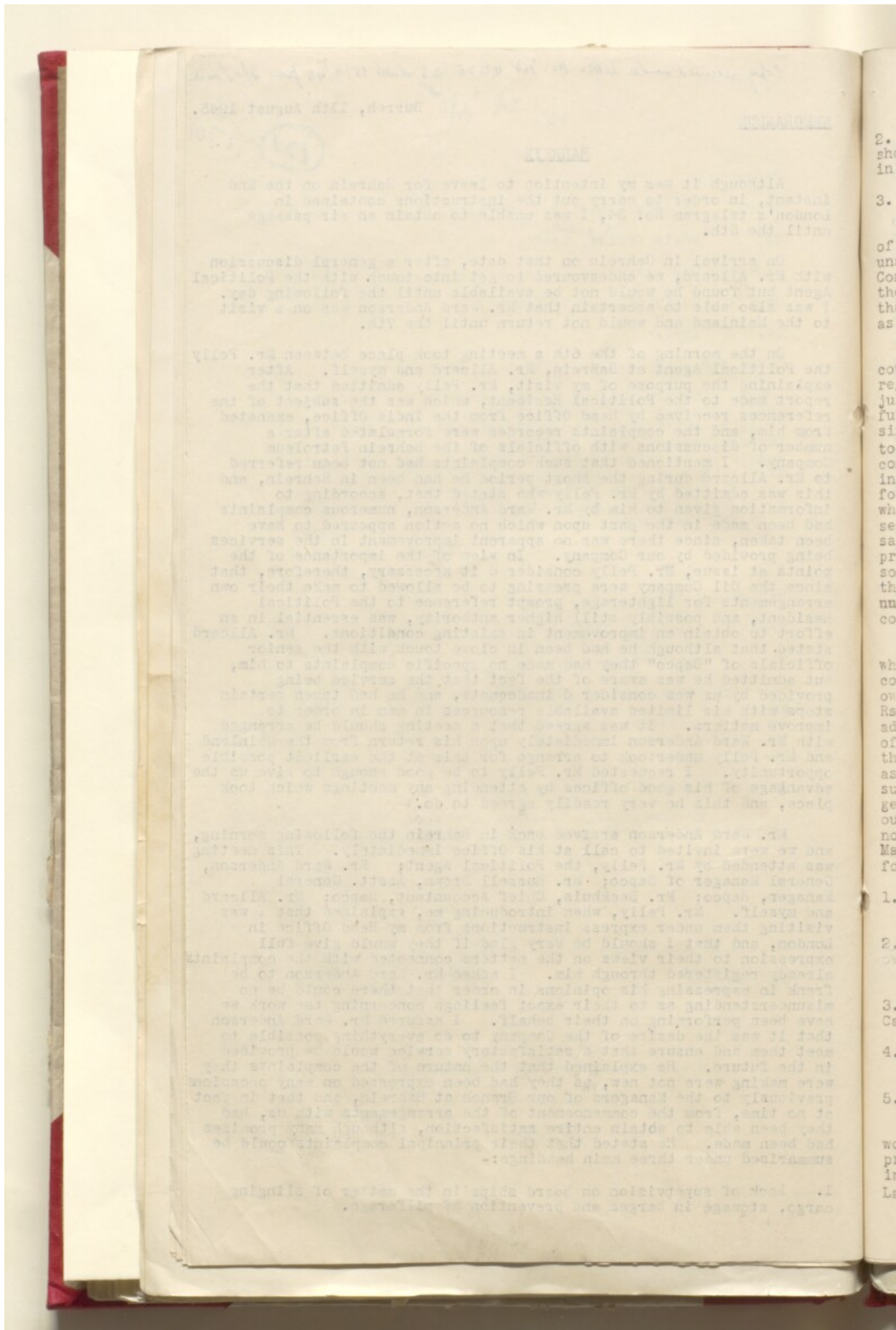
Although it was my intention to leave for Bahrain on the 2nd instant, in order to carry out the instructions contained in London's telegram No. 34, I was unable to obtain an air passage until the 5th.

On arrival in Bahrain on that date, after a general discussion with Mr. Allcard, we endeavoured to get into touch with the Political Agent but found he would not be available until the following day. I was also able to ascertain that Mr. Ward Anderson was on a visit to the Mainland and would not return until the 7th.

On the morning of the 6th a meeting took place between Mr. Pelly the Political Agent at Bahrain, Mr. Allcard and myself. After explaining the purpose of my visit, Mr. Pelly admitted that the report made to the Political Resident, which was the subject of the references received by Head Office from the India Office, emanated from him, and the complaints recorded were formulated after a number of discussions with officials of the Bahrain Petroleum Company. I mentioned that such complaints had not been referred to Mr. Allcard during the short period he had been in Bahrain, and this was admitted by Mr. Pelly who stated that, according to information given to him by Mr. Ward Anderson, numerous complaints had been made in the past upon which no action appeared to have been taken, since there was no apparent improvement in the services being provided by our Company. In view of the importance of the points at issue, Mr. Pelly considered it necessary, therefore, that since the Oil Company were pressing to be allowed to make their own arrangements for lighterage, prompt reference to the Political Resident, and possibly still higher authority, was essential in an effort to obtain an improvement in existing conditions. Mr. Allcard stated that although he had been in close touch with the senior officials of "Bapco" they had made no specific complaints to him, but admitted he was aware of the fact that the service being provided by us was considered inadequate, and he had taken certain steps with his limited available resources in men in order to improve matters. It was agreed that a meeting should be arranged with Mr. Ward Anderson immediately upon his return from the Mainland and Mr. Pelly undertook to arrange for this at the earliest possible opportunity. I requested Mr. Pelly to be good enough to give us the advantage of his good offices by attending any meetings which took place, and this he very readily agreed to do.

Mr. Ward Anderson arrived back in Bahrain the following morning, and we were invited to call at his Office immediately. This meeting was attended by Mr. Pelly, the Political Agent; Mr. Ward Anderson, General Manager of Bapco; Mr. Russell Brown, Asstt. General Manager, Bapco; Mr. Beekhuis, Chief Accountant, Bapco; Mr. Allcard and myself. Mr. Pelly, when introducing me, explained that I was visiting them under express instructions from my Head Office in London, and that I should be very glad if they would give full expression to their views on the matters connected with the complaints already registered through him. I asked Mr. Ward Anderson to be frank in expressing his opinions in order that there could be no misunderstanding as to their exact feelings concerning the work we have been performing on their behalf. I assured Mr. Ward Anderson that it was the desire of the Company to do everything possible to meet them and ensure that a satisfactory service would be provided in the future. He explained that the nature of the complaints they were making were not new, as they had been expressed on many occasions previously to the Managers of our Branch at Bahrain, and that in fact at no time, from the commencement of the arrangements with us, had they been able to obtain entire satisfaction, although many promises had been made. He stated that their principal complaints could be summarised under three main headings:-

1. Lack of supervision on board ships in the matter of slinging cargo, stowage in barges and prevention of pilferage.



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2. Inefficient tallying on board ship and at delivery points on shore coupled with inadequate precautions for prevention of pilferage in barges and during discharge.

3. The high scale of our charges for services performed.

Emphasis was laid on the view of the Oil Company that the type of local supervisors employed by us was inexperienced and totally unable to control the labour working on board ships and in barges. Consequently valuable cargo was not handled and stowed in the manner they were entitled to expect and he would even go so far as to say that the class of Supervisors and Checkers provided instead of acting as a deterrent to Pilferage was, in all probability, an encouragement.

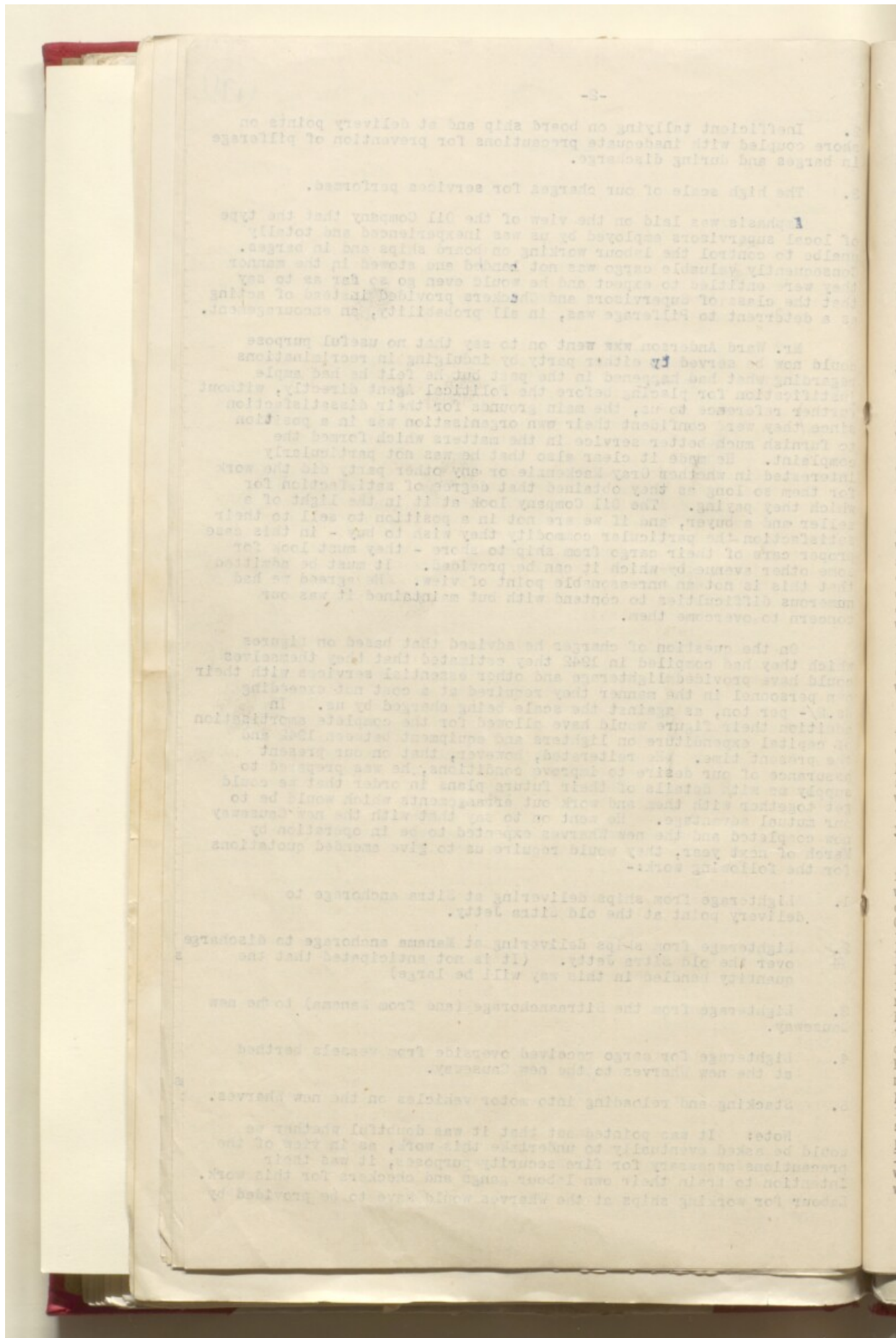
Mr. Ward Anderson ~~was~~ went on to say that no useful purpose could now be served ~~to~~ either party by indulging in recriminations regarding what had happened in the past but he felt he had ample justification for placing before the Political Agent directly, without further reference to us, the main grounds for their dissatisfaction since they were confident their own organisation was in a position to furnish much better service in the matters which formed the complaint. He made it clear also that he was not particularly interested in whether Gray Mackenzie or any other party did the work for them so long as they obtained that degree of satisfaction for which they paying. The Oil Company look at it in the light of a seller and a buyer, and if we are not in a position to sell to their satisfaction the particular commodity they wish to buy - in this case proper care of their cargo from ship to shore - they must look for some other avenue by which it can be provided. It must be admitted that this is not an unreasonable point of view. He agreed we had numerous difficulties to contend with but maintained it was our concern to overcome them.

On the question of charges he advised that based on figures which they had compiled in 1942 they estimated that they themselves could have provided lighterage and other essential services with their own personnel in the manner they required at a cost not exceeding Rs.2/- per ton, as against the scale being charged by us. In addition their figure would have allowed for the complete amortisation of capital expenditure on lighters and equipment between 1942 and the present time. He reiterated, however, that on our present assurance of our desire to improve conditions, he was prepared to supply us with details of their future plans in order that we could get together with them and work out arrangements which would be to our mutual advantage. He went on to say that with the new Causeway now completed and the new Wharves expected to be in operation by March of next year, they would require us to give amended quotations for the following work:-

1. Lighterage from ships delivering at Sitra anchorage to delivery point at the old Sitra Jetty.
2. Lighterage from ships delivering at Manama anchorage to discharge over the old Sitra Jetty. (It is not anticipated that the quantity handled in this way will be large)
3. Lighterage from the Sitra anchorage (and from Manama) to the new Causeway.
4. Lighterage for cargo received overside from vessels berthed at the new Wharves to the new Causeway.
5. Stacking and reloading into motor vehicles on the new Wharves.

Note: It was pointed out that it was doubtful whether we would be asked eventually to undertake this work, as in view of the precautions necessary for fire security purposes, it was their intention to train their own labour gangs and checkers for this work. Labour for working ships at the Wharves would have to be provided by







-3-

us in the usual way, and emphasis was laid upon the necessity for precautions being taken against fire in view of the hazards involved since these Wharves will also be utilised as delivery points for bulk oil deliveries to tankers etc.

A request was made for estimated tonnages to be handled monthly over the various discharge points but up to the time of my leaving Bahrein these had not been received. Their proposed programme extends to 1947.

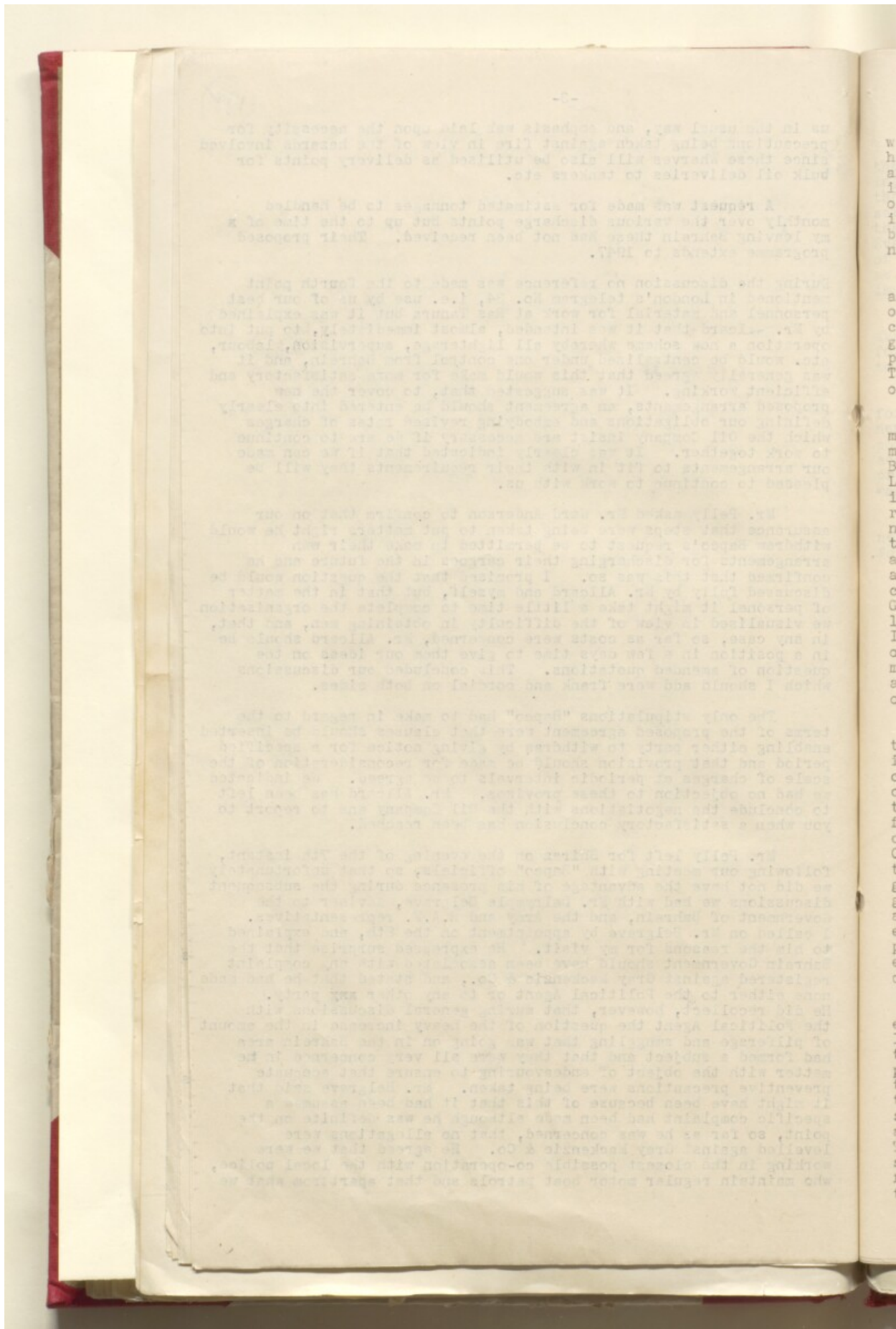
During the discussion no reference was made to the fourth point mentioned in London's telegram No. 34, i.e. use by us of our best personnel and material for work at Ras Tanura but it was explained by Mr. Allcard that it was intended, almost immediately, to put into operation a new scheme whereby all lighterage, supervision, labour, etc. would be centralised under one control from Bahrein, and it was generally agreed that this would make for more satisfactory and efficient working. It was suggested that, to cover the new proposed arrangements, an agreement should be entered into clearly defining our obligations and embodying revised rates of charges which the Oil Company insist are necessary if we are to continue to work together. It was clearly indicated that if we can make our arrangements to fit in with their requirements they will be pleased to continue to work with us.

Mr. Pelly asked Mr. Ward Anderson to confirm that on our assurance that steps were being taken to put matters right he would withdraw Bapco's request to be permitted to make their own arrangements for discharging their cargoes in the future and he confirmed that this was so. I promised that the question would be discussed fully by Mr. Allcard and myself, but that in the matter of personnel it might take a little time to complete the organisation we visualised in view of the difficulty in obtaining men, and that, in any case, so far as costs were concerned, Mr. Allcard should be in a position in a few days time to give them our ideas on the question of amended quotations. This concluded our discussions which I should add were frank and cordial on both sides.

The only stipulations "Bapco" had to make in regard to the terms of the proposed agreement were that clauses should be inserted enabling either party to withdraw by giving notice for a specified period and that provision should be made for reconsideration of the scale of charges at periodic intervals to be agreed. We indicated we had no objection to these provisos. Mr. Allcard has been left to conclude the negotiations with the Oil Company and to report to you when a satisfactory conclusion has been reached.

Mr. Pelly left for Shiraz on the evening of the 7th instant, following our meeting with "Bapco" officials, so that unfortunately we did not have the advantage of his presence during the subsequent discussions we had with Mr. Dalrymple Belgrave, Adviser to the Government of Bahrein, and the Army and R.A.F. representatives. I called on Mr. Belgrave by appointment on the 8th, and explained to him the reasons for my visit. He expressed surprise that the Bahrain Government should have been associated with any complaint registered against Gray Mackenzie & Co., and stated that he had made none either to the Political Agent or to any other ~~any~~ party. He did recollect, however, that during general discussions with the Political Agent the question of the heavy increase in the amount of pilferage and smuggling that was going on in the Bahrein area had formed a subject and that they were all very concerned in the matter with the object of endeavouring to ensure that adequate preventive precautions were being taken. Mr. Belgrave said that it might have been because of this that it had been assumed a specific complaint had been made although he was definite on the point, so far as he was concerned, that no allegations were levelled against Gray Mackenzie & Co. He agreed that we were working in the closest possible co-operation with the local police, who maintain regular motor boat patrols and that apart from what we









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were doing, he had no further suggestions to make. Recently there had been a number of convictions in the local Courts for pilferage and smuggling and very heavy sentences had been given. Mr. Belgrave informed us that the Government of Bahrein had recruited from U.K. one Police Sergeant and six Constables who were expected in Bahrein in the near future, and that it is intended that these men should be employed in an endeavour to break up these activities as they now appeared to be organising themselves into gangs.

I asked Mr. Belgrave whether he had received complaints from any source concerning the neglect on our part of passengers embarking or disembarking at Bahrein, and he stated that he knew of no such complaint. It is interesting to note that a similar reply was given by Mr. Pelly when the matter was mentioned to him and he promised to enquire into it if we would write to him on the subject. This was done and Mr. Allcard no doubt will be sending on a copy of the reply received.

Following my talk with Mr. Belgrave I had the opportunity of meeting the Army and R.A.F. representatives who deal with the movement of all cargo and personnel at Bahrein - Capt. Benbow is the British Army Movements Officer and P/Lieut. Baird, the R.A.F. Liaison Officer, both of whom attend ~~xxx~~ all M.W.T. meetings and are in daily contact with Mr. Allcard. They expressed surprise at the reports referred to in London's telegram and assured me they had not emanated from them. Prior to leaving Busreh for Bahrein, I took the opportunity of ascertaining from the M.W.T. Representative and the Service Departments concerned if they knew of any complaints against our organisation at Bahrein, and was assured that on the contrary signals had been sent congratulating all concerned, including Gray Mackenzie & Co., on their performance in the handling of the large quantities of materials now being dealt with at the port. I mention this as it appears to me the allegations concerning neglect of passengers is probably made by the Political Staff under the misapprehension that we have control of the allocation of passenger accommodation, which is a matter on which we act under the instruction of M.W.T., Busreh.

I have been asked by Head Office to ascertain the root of the trouble and there is no doubt in my mind where this originates - inexperienced and incompetent native Supervisors and Checkers combined with lack of sufficient European Staff to maintain constant contact on board ships and on shore. This is the hub around which the whole of our landing arrangements revolve, and if there is faulty performance right from the start of our operations, we cannot hope to carry out the work without adverse criticism. Owing to the demands from various sources, such as the Oil Companies themselves and the Services, it is extremely difficult to retain good labour but since ships can be worked with the men made available given close and efficient supervision in the matter of slinging and stowage, the cause of complaints in this regard should be eliminated. Complaints over inadequate precautions against pilferage can also be considered complementary to the absence of effective supervision throughout the period when the cargo is in our care.

The standard of local Supervisor obtainable in Bahrein is extremely low and although efforts have been made to recruit trained Iraqis there has been little or no success owing to their reluctance to accept employment in Bahrein in spite of the high terms we are prepared to offer. In my opinion, if we intend to continue with this business, the only satisfactory solution would be to obtain the services of British Supervisors experienced in the handling, slinging and stowage of heavy equipment as well as possessing the ability to control local Supervisors, Tally Clerks and Labour. The type of men who could probably be used to best advantage on such work would be those I.W.T. personnel we previously considered for employment on the Bahrein Petrol project, and if we could obtain the release of two additional men, similar in type to Mr. Brayshaw,



...had been a number of convictions in the local courts for illegal  
and smuggling and very heavy sentences had been given. Mr. Belgrave  
informed us that the Government of Bahrain had requested from U.K.  
one Police Sergeant and six Constables who were expected to arrive  
in the near future, and that it is intended that these men should  
be employed in an endeavour to break up these activities as they  
now appeared to be organizing themselves into gangs.

I asked Mr. Belgrave whether he had received complaints from  
any source concerning the neglect on our part of passenger embarking  
or disembarking at Bahrain, and he stated that he knew of no such  
complaints. It is interesting to note that a similar reply was  
given by Mr. Kelly when the matter was mentioned to him and he  
promised to enquire into it if we would write to him on the subject.  
This was done and Mr. Allicock has doubtless been working on a reply  
at the reply received.

Following my talk with Mr. Belgrave I had the opportunity of  
meeting the Army and A.A.F. representatives who had been to the  
meeting of all cargo and personnel at Bahrain - Capt. Gordon in the  
British Army Movement Officer and V. Allicock, the A.A.F. Liaison  
Officer, both of whom attend all A.A.F. meetings and are  
in daily contact with Mr. Allicock. They expressed surprise at the  
reports referred to in London and stated that they had  
not emanated from them. Prior to leaving Bahrain for Bahrain, I  
took the opportunity of enquiring from the A.A.F. representative  
and the service representative concerned in the case of any complaints  
against our organization at Bahrain, and was assured that on the  
contrary, all had been most satisfactory all concerned, including  
Army, Air, and A.A.F., on their performance in the handling of the  
large quantities of material now being dealt with at the port.  
I mention this as it appears to me the situation presented might  
of passengers is probably made by the British staff under the  
disappreciation that we have control of the allocation of passengers  
of A.A.F. transport.

I have been asked by Head Office to ascertain the root of the  
trouble and there is no doubt in my mind where this originates -  
inexperienced and inexperienced native supervisors and operators  
combined with lack of sufficient supervision staff to maintain constant  
contact on board ships and on shore. This is the one serious defect  
the whole of our handling arrangements involve, and it is this in  
faulty performance right from the start of our operations, we  
cannot hope to carry out the work with any degree of efficiency.  
Going to the reasons from various sources, such as the ill-considered  
themselves and the services, it is extremely difficult to retain  
good labour but since ships can be worked with the men and women  
given close and efficient supervision in the matter of loading  
and stowage, the cause of complaints in this regard is almost  
eliminated. Complaints over inadequate provisions against  
efficiency can also be considered comparatively to a degree of  
effective supervision throughout the period when the cargo is in  
our care.

The standard of local supervision available in Bahrain is  
extremely low and although efforts have been made to recruit trained  
local staff there has been little or no success owing to their reluctance  
to accept employment in Bahrain in view of the fact that they are  
prepared to offer. In my opinion, if we intend to continue with  
this business, the only satisfactory solution would be to obtain  
the services of British supervisors experienced in the handling  
loading and stowage of heavy cargo and to equip them with the  
ability to control local supervisors, who in turn would be  
The type of men who would probably be used to assist in the  
work would be those A.A.F. personnel or personnel of equivalent  
for employment on the Bahrain oil project, and it is quite certain  
the release of two additional men, similar in type to Mr. Allicock,

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174

they would meet our immediate requirements. The difficulty in obtaining such releases even now is appreciated, and in order to ensure that assistance is sent without delay I am endeavouring to obtain the services of two experienced Supervisors from Busreh who can be sent there on temporary duty until more permanent arrangements can be made. Even if we have to pay unusually high wages in obtaining the services of such men it is essential that conditions at Sitra should be improved as soon as possible in order to prove to "Bapco" that we are taking immediate steps to put our house in order.

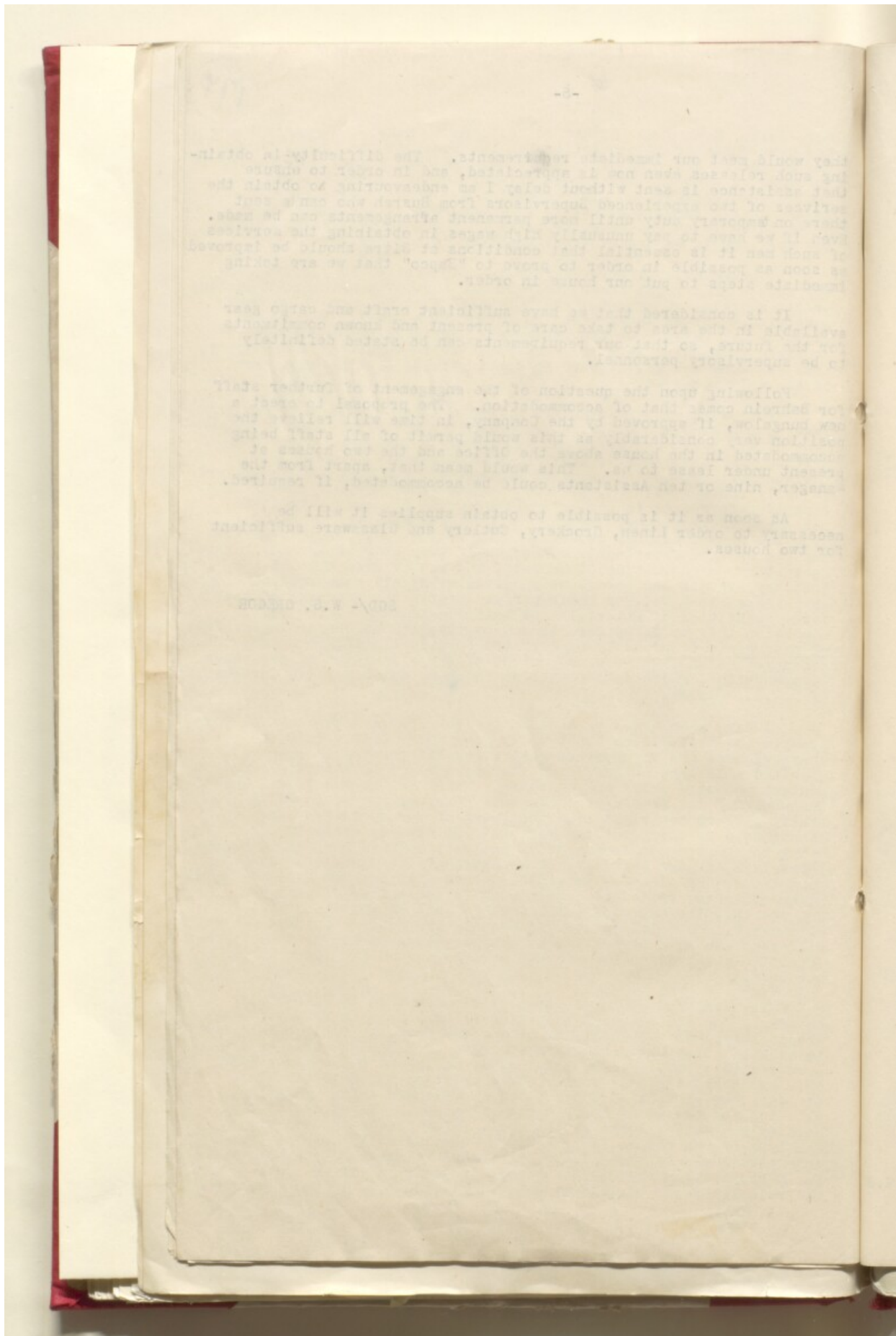
It is considered that we have sufficient craft and cargo gear available in the area to take care of present and known commitments for the future, so that our requirements can be stated definitely to be supervisory personnel.

Following upon the question of the engagement of further staff for Bahrain comes that of accommodation. The proposal to erect a new bungalow, if approved by the Company, in time will relieve the position very considerably as this would permit of all staff being accommodated in the house above the Office and the two houses at present under lease to us. This would mean that, apart from the Manager, nine or ten Assistants could be accommodated, if required.

As soon as it is possible to obtain supplies it will be necessary to order Linen, Crockery, Cutlery and Glassware sufficient for two houses.

SGD/- W.S. GREGOR







122, Leadenhall Street,  
London, E.C.3.

28th August, 1945.

Dear Sir Cecil,

Further to my letter of 24th instant, I now enclose two abridged copies of the report made by Mr. Gregor, our General Manager at Busreh, who was specially sent down to Bahrein to investigate the complaints which had been made. I have merely omitted certain parts of the report which deal with purely domestic matters and which have no bearing on the points at issue. The Mr. Allcard referred to in the report is our Manager at Bahrein.

The report fully confirms what I said at the meeting on 5th July, that our difficulties have arisen almost solely through our inability to obtain suitable personnel to deal with the largely increased volume of traffic, but I hope, now that the war is over, we shall be able - probably with your kind assistance - to get the men we require.

With regard to the question of charges, you will appreciate that the maintenance of a lighterage plant in an area like the Persian Gulf is an expensive business but nevertheless our Bahrein Manager is going closely into figures and I hope it will be possible to make some reduction.

As already informed you, now that fuller information has been furnished regarding alleged defects in the handling of passengers, the matter is being fully investigated, and I will advise you the result in due course.

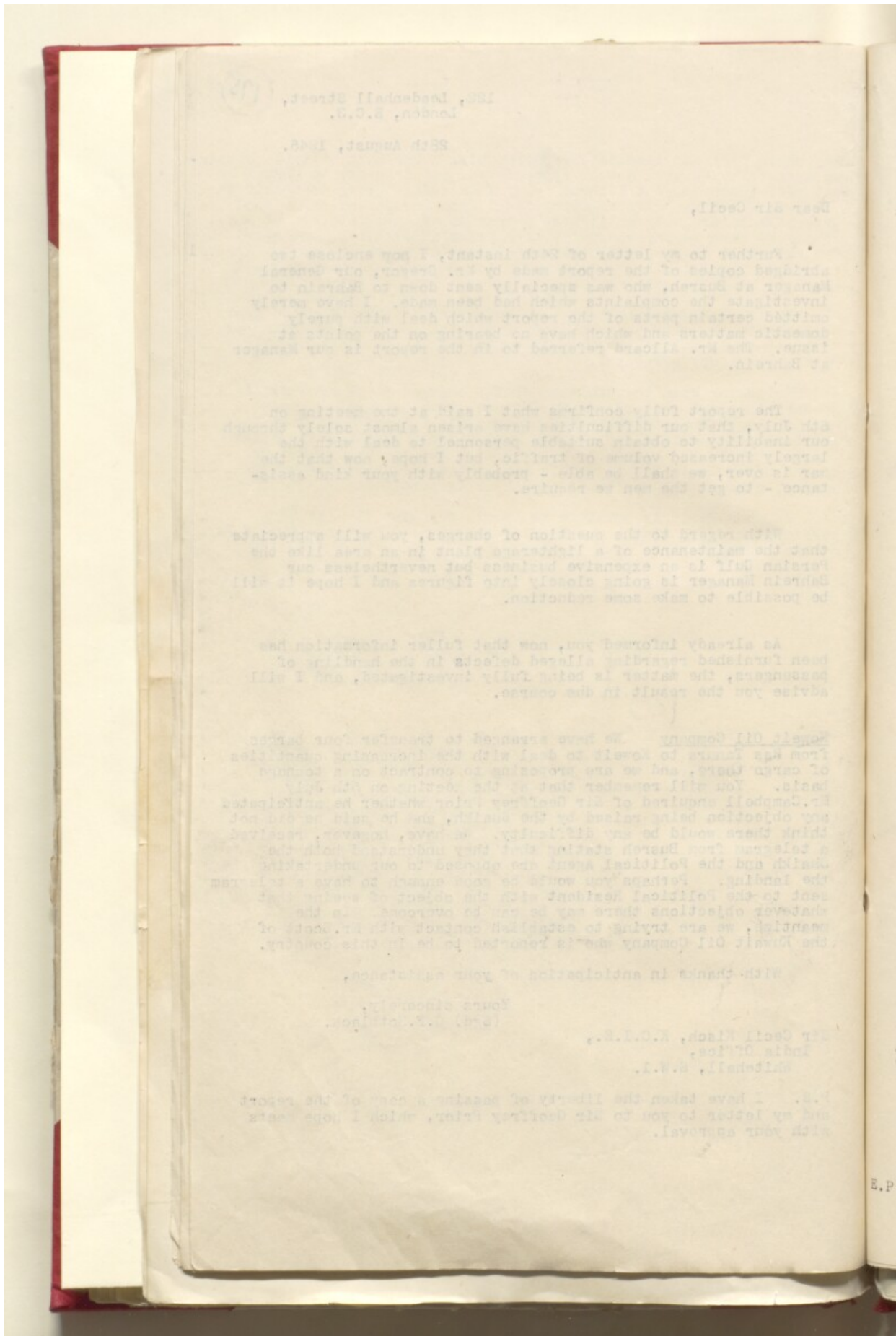
Koweit Oil Company We have arranged to transfer four barges from Ras Tanura to Koweit to deal with the increasing quantities of cargo there, and we are proposing to contract on a tonnage basis. You will remember that at the meeting on 5th July Mr. Campbell enquired of Sir Geoffrey Prior whether he anticipated any objection being raised by the Shaikh, and he said he did not think there would be any difficulty. We have, however, received a telegram from Busreh stating that they understand both the Shaikh and the Political Agent are opposed to our undertaking the landing. Perhaps you would be good enough to have a telegram sent to the Political Resident with the object of seeing that whatever objections there may be can be overcome. In the meantime, we are trying to establish contact with Mr. Scott of the Kuwait Oil Company who is reported to be in this country.

With thanks in anticipation of your assistance,

Yours sincerely,  
(Sgd) G.F. Hotblack.

Sir Cecil Kisch, K.C.I.E.,  
India Office,  
Whitehall, S.W.1.

P.S. I have taken the liberty of passing a copy of the report and my letter to you to Sir Geoffrey Prior, which I hope meets with your approval.







122, Leadenhall Street,  
London, E.C.3.

31st August, 1945.

Dear Mr. Donaldson,

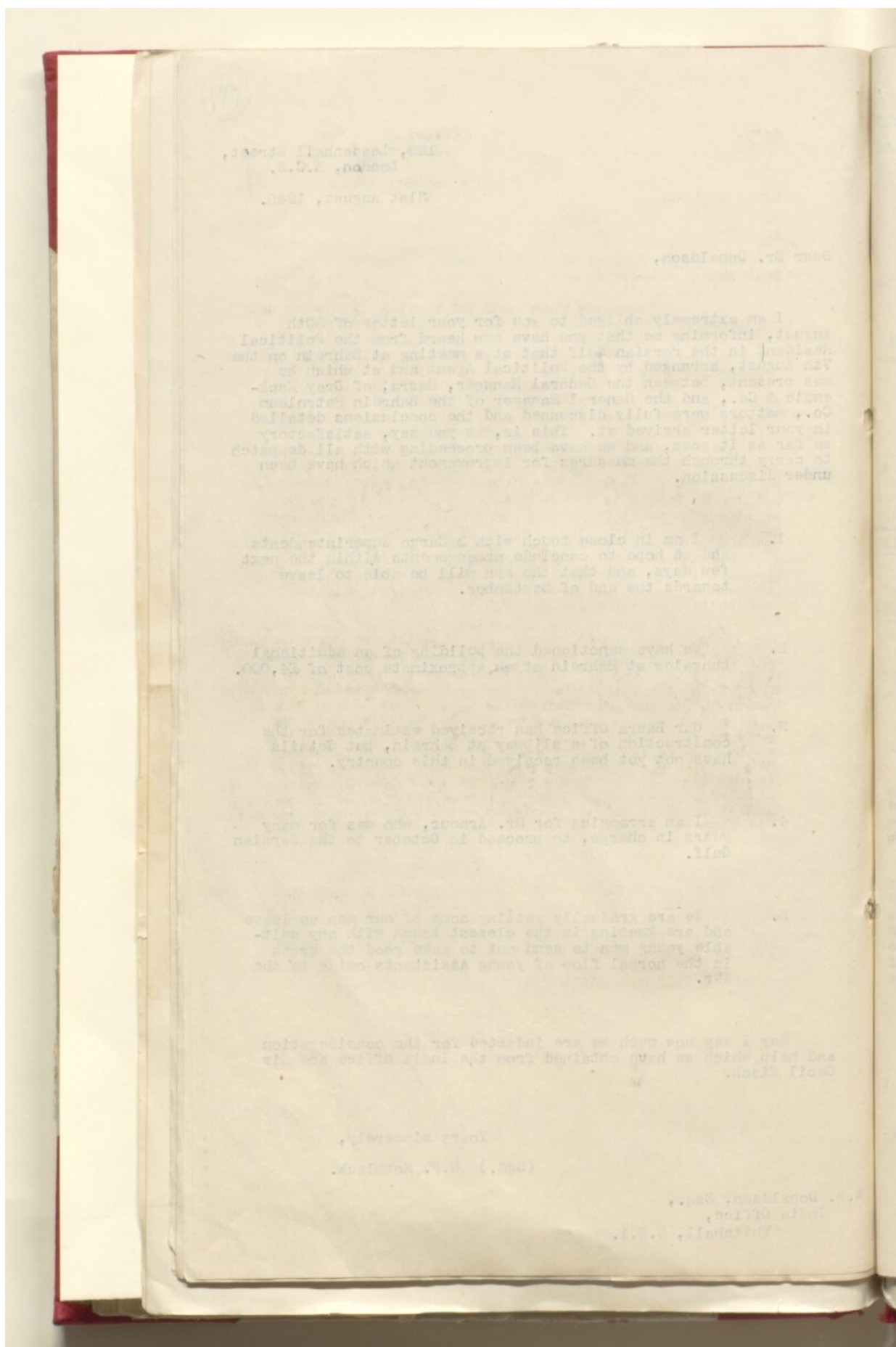
I am extremely obliged to you for your letter of 30th August, informing me that you have now heard from the Political Resident in the Persian Gulf that at a meeting at Bahrein on the 7th August, arranged by the Political Agent and at which he was present, between the General Manager, Basra, of Gray Mackenzie & Co., and the General Manager of the Bahrein Petroleum Co., matters were fully discussed and the conclusions detailed in your letter arrived at. This is, as you say, satisfactory so far as it goes, and we have been proceeding with all despatch to carry through the measures for improvement which have been under discussion.

1. I am in close touch with 3 Cargo Superintendents and we hope to conclude arrangements within the next few days, and that the men will be able to leave towards the end of September.
2. We have sanctioned the building of an additional bungalow at Bahrein at an approximate cost of £4,000.
3. Our Basra Office has received estimates for the construction of a slipway at Bahrein, but details have not yet been received in this country.
4. I am arranging for Mr. Armour, who was for many years in charge, to proceed in October to the Persian Gulf.
5. We are gradually getting some of our men on leave and are keeping in the closest touch with any suitable young men to send out to make good the break in the normal flow of young Assistants owing to the War.

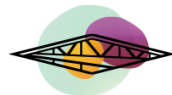
May I say how much we are indebted for the consideration and help which we have obtained from the India Office and Sir Cecil Kisch.

Yours sincerely,  
(Sgd.) G.F. Hotblack.

E.P. Donaldson, Esq.,  
India Office,  
Whitehall, S.W.1.







COPY

122, Leadenhall Street,  
London, E.C. 3.

4th September, 1945.

Ext. 4426/45.

Dear Mr. Donaldson,

I am exceedingly obliged by your letter of the 3rd September.

(1) & (2) Gray Mackenzie & Co. will arrange to get in touch both here and in the Persian Gulf with the Oil Companies you name, and when Mr. Armour arrives in the Persian Gulf he will, as you suggest, get in touch with the Petroleum representative in Cairo and Baghdad.

(3) We had a call from Mr. Scott of the Koweit Petroleum Co. with regard to the supply of barges for Koweit. He informed us that we should not be allowed to operate barges in Koweit or to land cargo from them as the landing of merchandise in Koweit is reserved for the local organisation in which the Sheikh is financially interested. What the Oil Companies desire is that we should place the barges at their disposal on a bare boat basis, as they require steel barges to load some constructional material which cannot conveniently be carried by existing wooden barges.

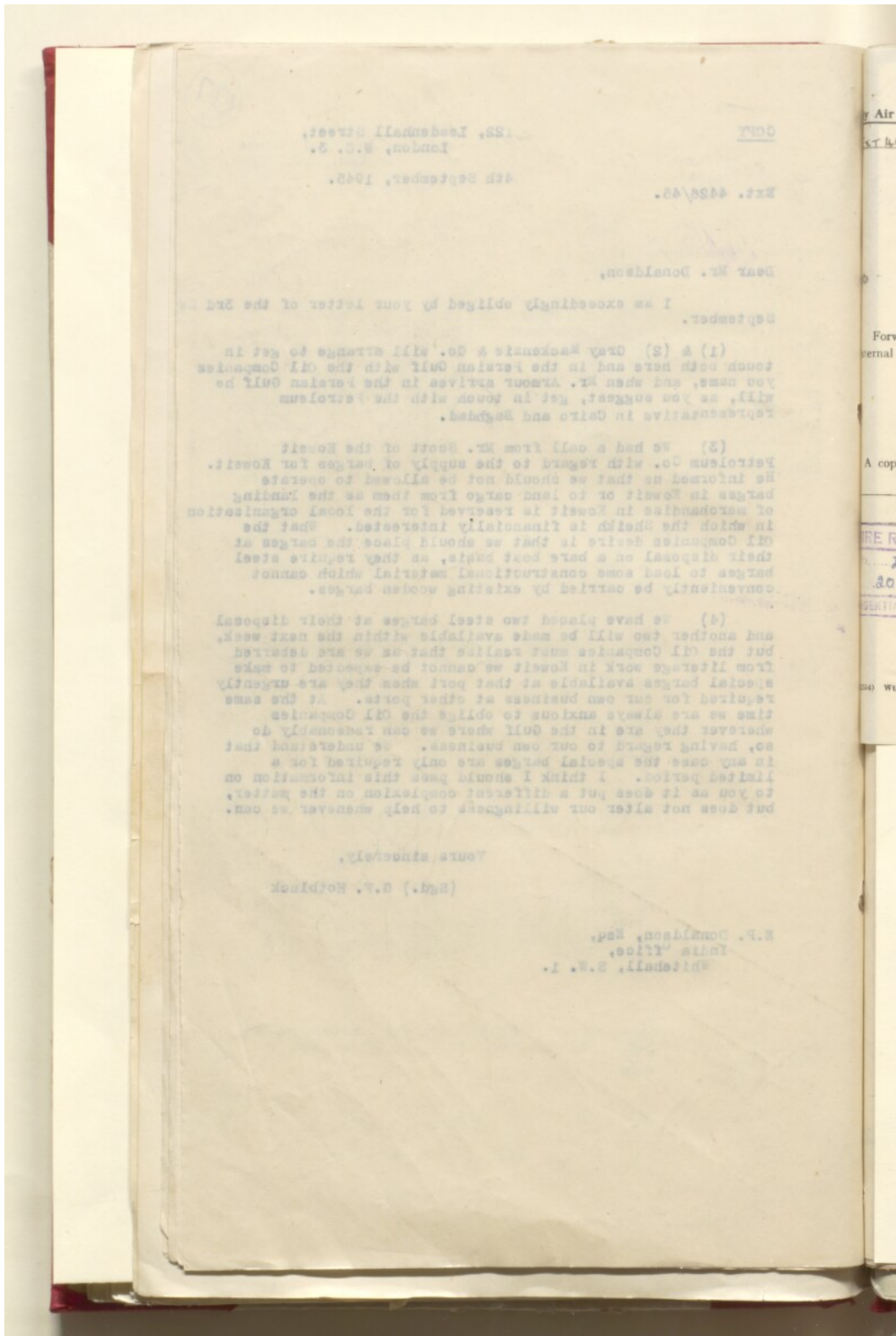
(4) We have placed two steel barges at their disposal and another two will be made available within the next week, but the Oil Companies must realise that as we are debarred from lighterage work in Koweit we cannot be expected to make special barges available at that port when they are urgently required for our own business at other ports. At the same time we are always anxious to oblige the Oil Companies wherever they are in the Gulf where we can reasonably do so, having regard to our own business. We understand that in any case the special barges are only required for a limited period. I think I should pass this information on to you as it does put a different complexion on the matter, but does not alter our willingness to help whenever we can.

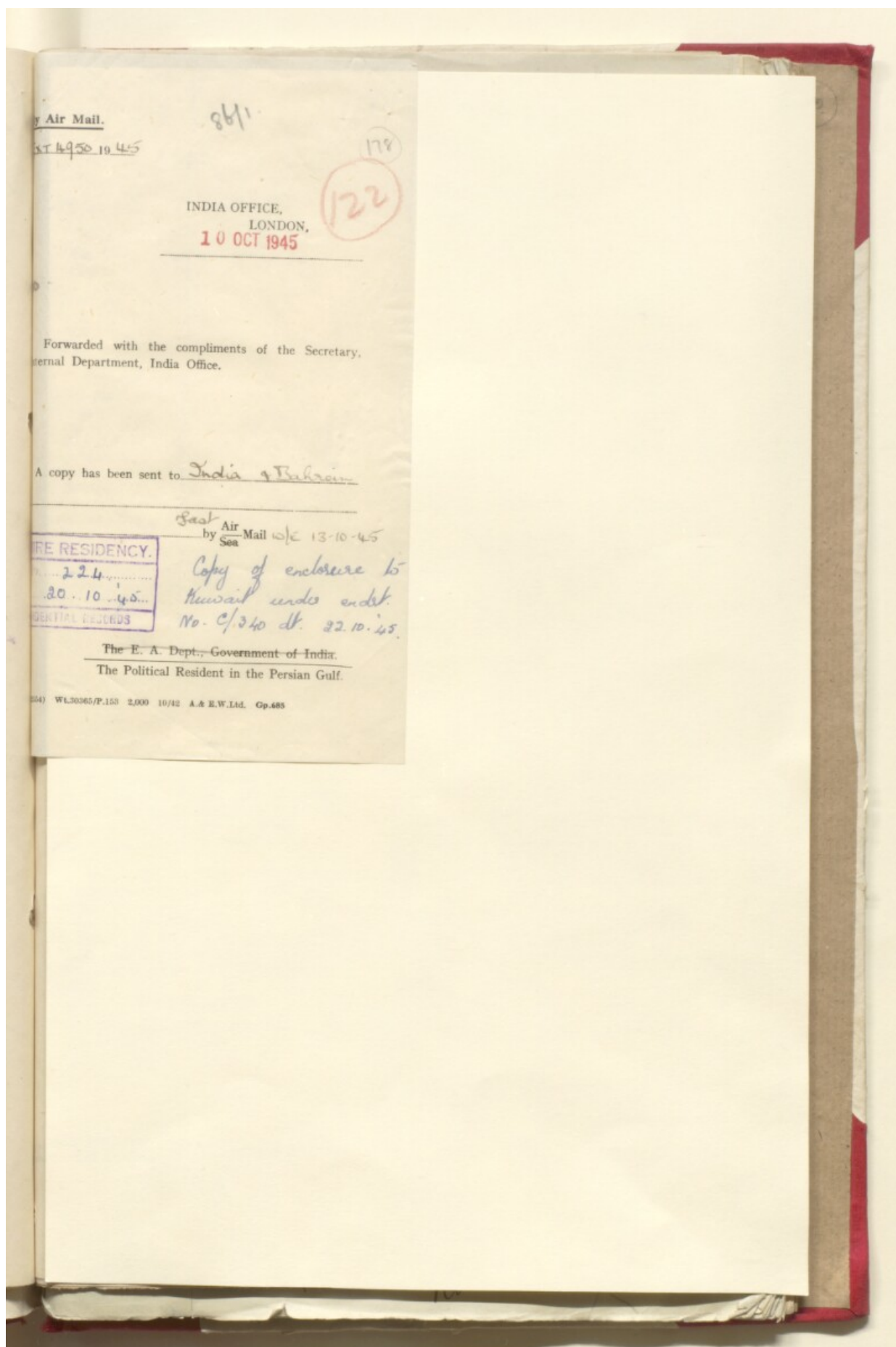
Yours sincerely,

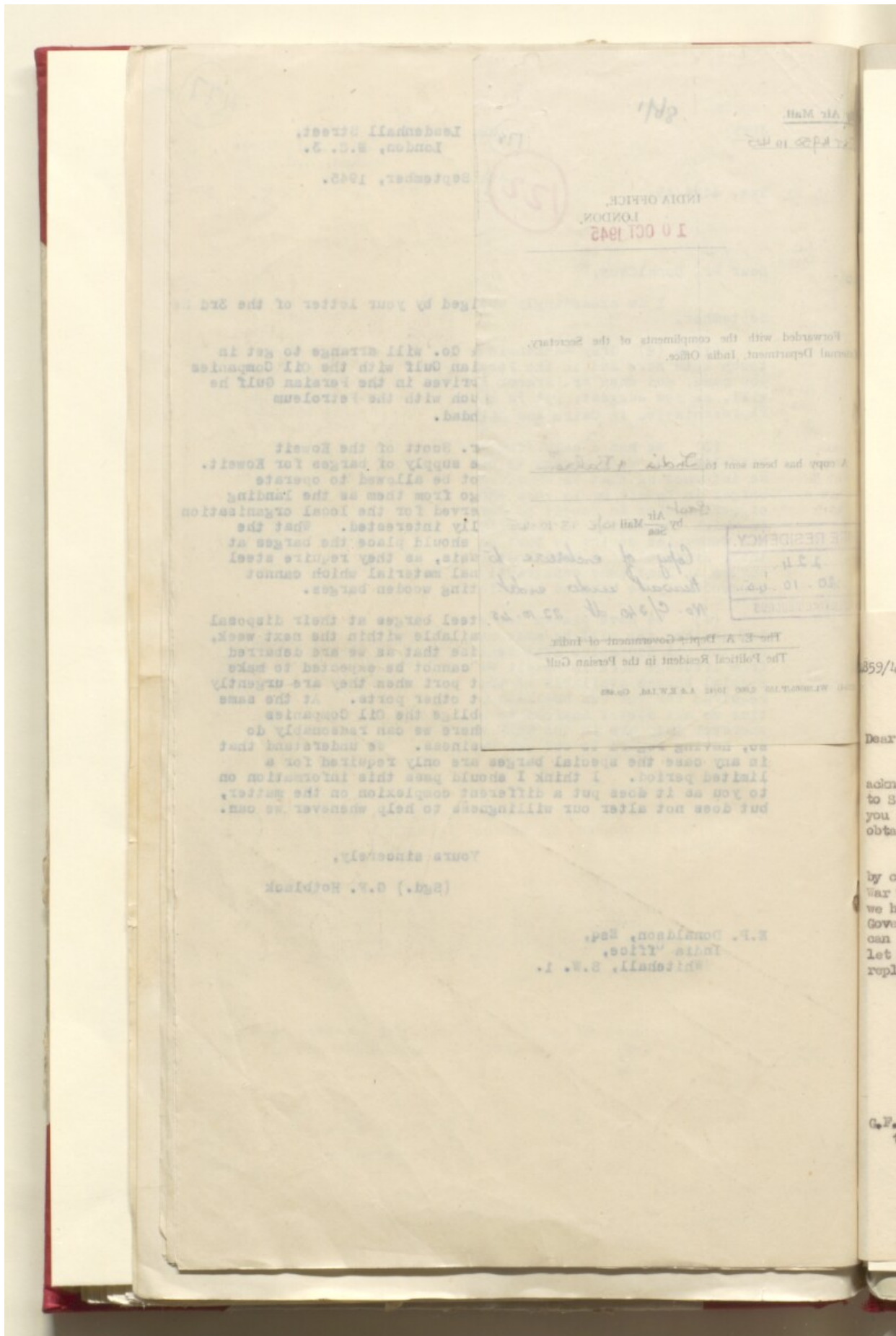
(Sgd.) G.F. Hotblack

E.P. Donaldson, Esq.,  
India Office,  
Whitehall, S.W. 1.

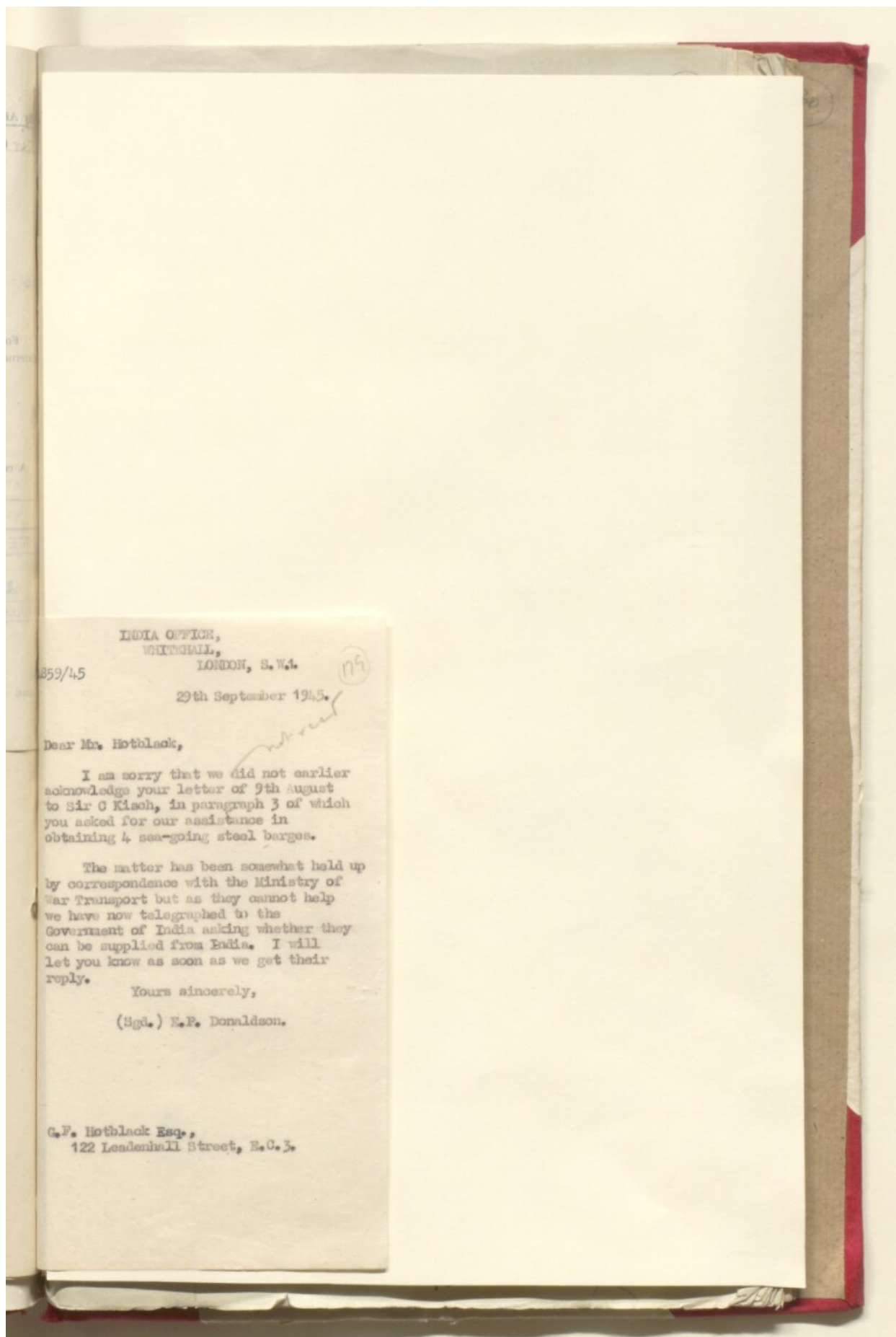
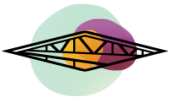












INDIA OFFICE,  
WHITEHALL,  
LONDON, S.W.1.

859/45

29th September 1945.

Dear Mr. Hotblack,

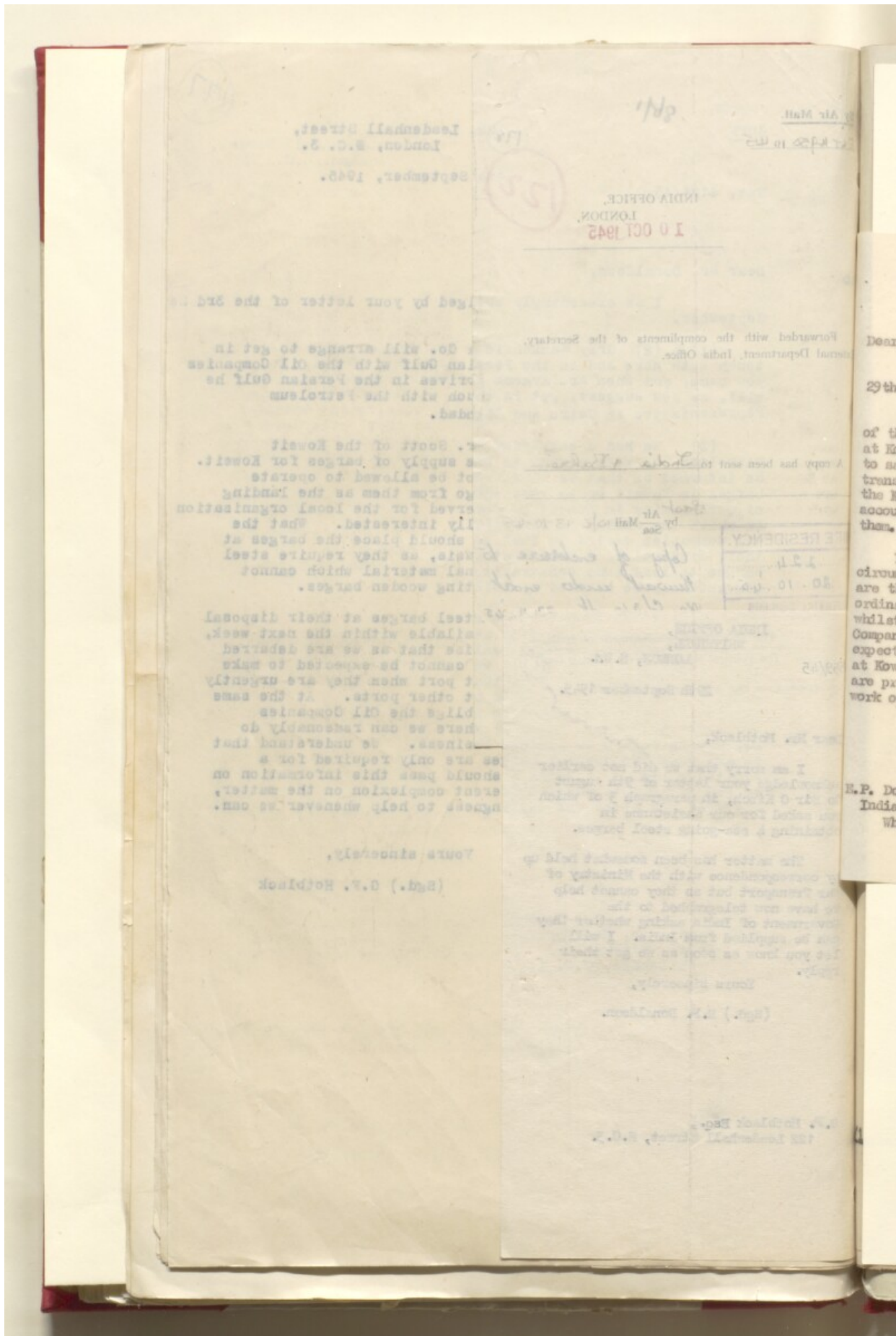
I am sorry that we did not earlier acknowledge your letter of 9th August to Sir C Kisch, in paragraph 3 of which you asked for our assistance in obtaining 4 sea-going steel barges.

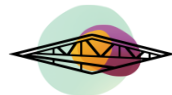
The matter has been somewhat held up by correspondence with the Ministry of War Transport but as they cannot help we have now telegraphed to the Government of India asking whether they can be supplied from India. I will let you know as soon as we get their reply.

Yours sincerely,

(Sgd.) E.P. Donaldson.

G.F. Hotblack Esq.,  
122 Leadenhall Street, E.C.3.





122 Leadenhall Street,  
London, E.C.3.

2nd October 1945. 180

Dear Mr. Donaldson, 10 179

I thank you for your letter of the  
29th September.

We have now placed at the disposal  
of the Kuwait Oil Company four barges  
at Kuwait on a bare hire basis, that is  
to say, the loading, discharging and  
transportation of the material is done by  
the Kuwait Oil Company for their own  
account and the barges are manned by  
them.

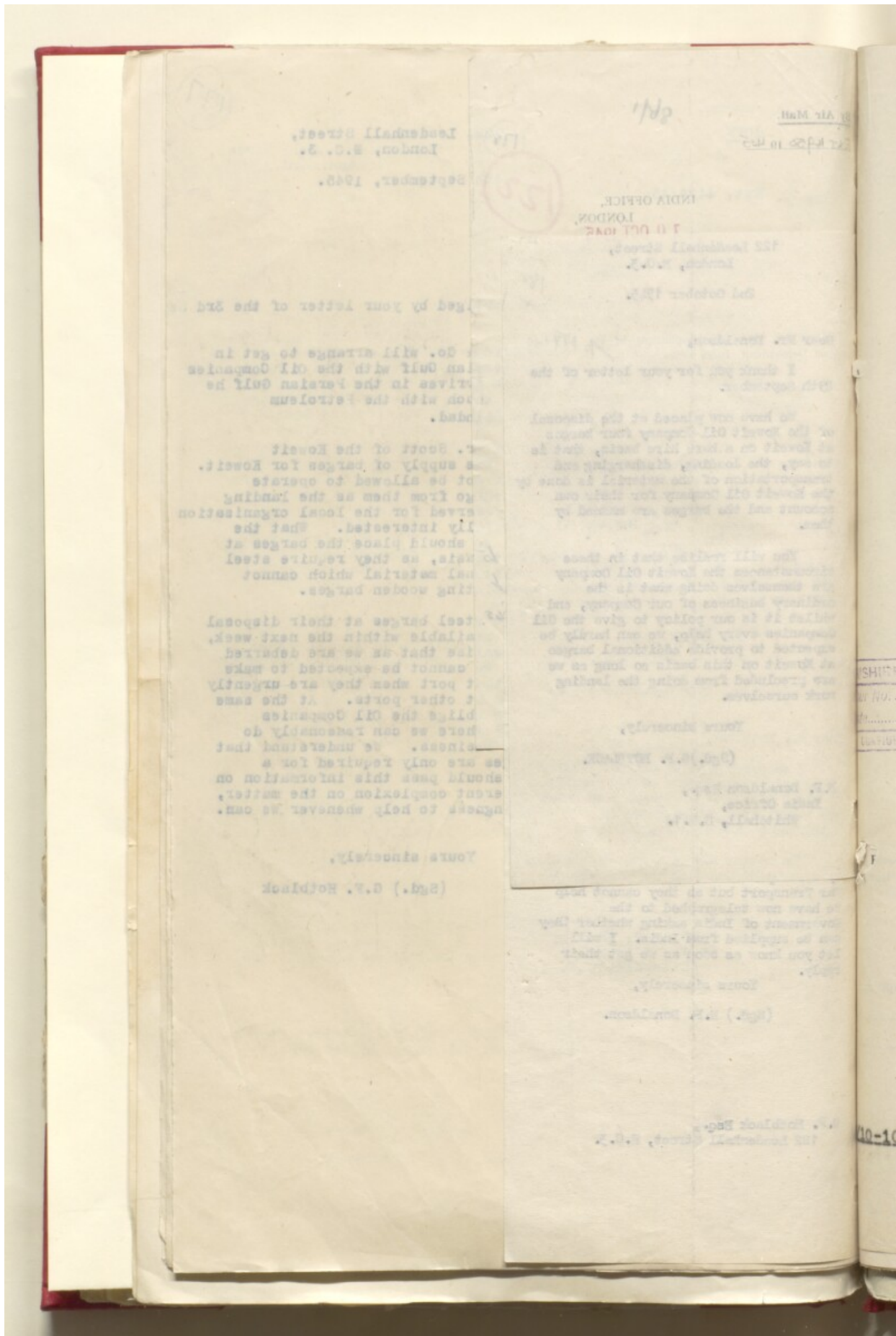
You will realise that in these  
circumstances the Kuwait Oil Company  
are themselves doing what is the  
ordinary business of our Company, and  
whilst it is our policy to give the Oil  
Companies every help, we can hardly be  
expected to provide additional barges  
at Kuwait on this basis so long as we  
are precluded from doing the landing  
work ourselves.

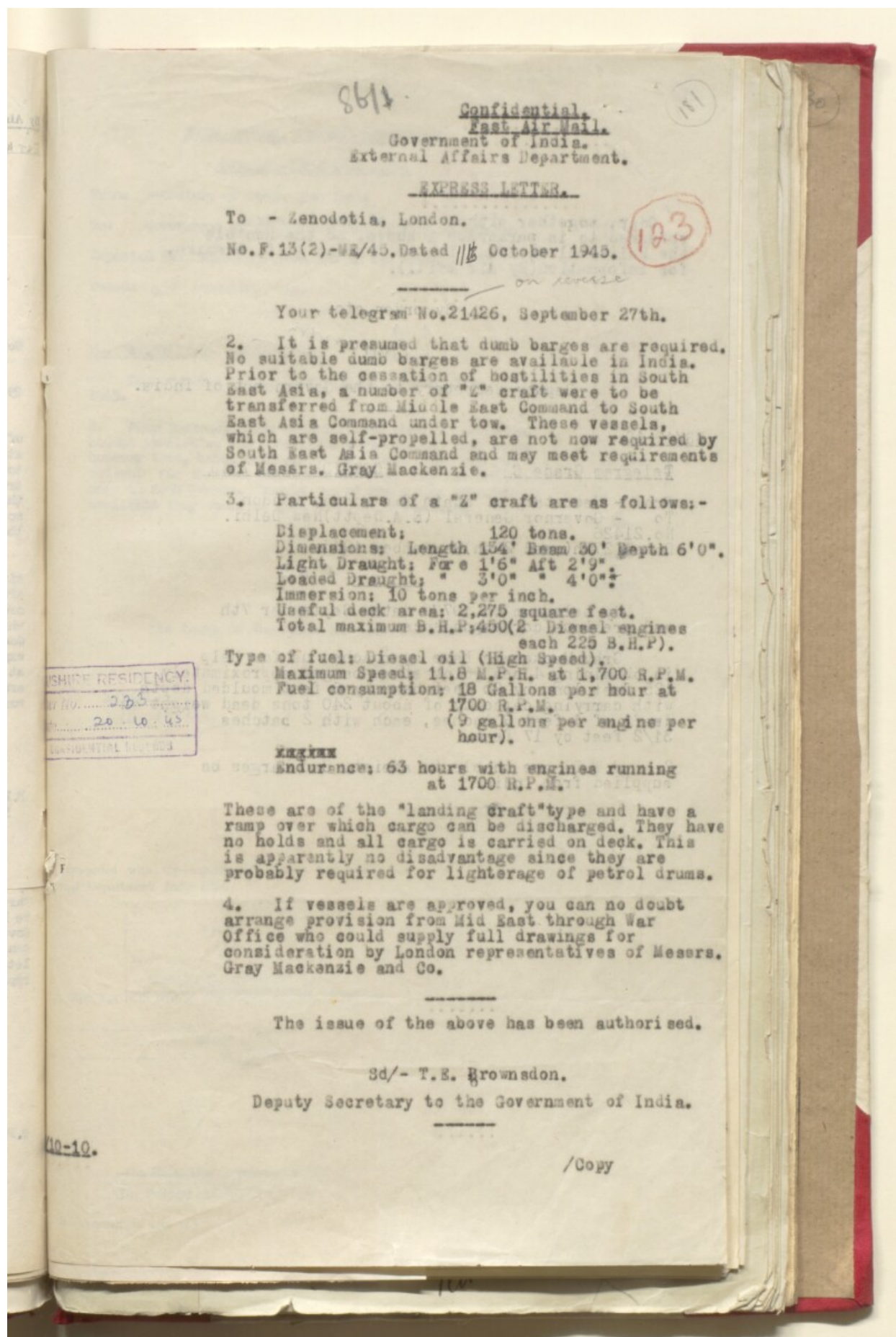
Yours sincerely,

(Sgd.) G. F. NOTELACK.

E. F. Donaldson Esq.,  
India Office,  
Whitehall, S.W.1.







8612  
Confidential.  
Fast Air Mail.  
Government of India.  
External Affairs Department.

EXPRESS LETTER.

To - Zenodotia, London.  
No. F.13(2)-WE/45. Dated 11th October 1945. (123)

Your telegram No. 21426, September 27th.

2. It is presumed that dumb barges are required. No suitable dumb barges are available in India. Prior to the cessation of hostilities in South East Asia, a number of "Z" craft were to be transferred from Middle East Command to South East Asia Command under tow. These vessels, which are self-propelled, are not now required by South East Asia Command and may meet requirements of Messrs. Gray Mackenzie.

3. Particulars of a "Z" craft are as follows:-

Displacement: 120 tons.  
Dimensions: Length 154' Beam 30' Depth 6'0".  
Light Draught: Fore 1'6" Aft 2'9".  
Loaded Draught: " 3'0" " 4'0".  
Immersion: 10 tons per inch.  
Useful deck area: 2,275 square feet.  
Total maximum B.H.P.: 450 (2 Diesel engines each 225 B.H.P.).

Type of fuel: Diesel oil (High Speed).  
Maximum Speed: 11.8 M.P.H. at 1,700 R.P.M.  
Fuel consumption: 18 Gallons per hour at 1700 R.P.M.  
(9 gallons per engine per hour).

Endurance: 63 hours with engines running at 1700 R.P.M.

These are of the "landing craft" type and have a ramp over which cargo can be discharged. They have no holds and all cargo is carried on deck. This is apparently no disadvantage since they are probably required for lightering of petrol drums.

4. If vessels are approved, you can no doubt arrange provision from Mid East through War Office who could supply full drawings for consideration by London representatives of Messrs. Gray Mackenzie and Co.

The issue of the above has been authorised.

Sd/- T.E. Brownson.  
Deputy Secretary to the Government of India.

/Copy





182  
Copy, together with a copy of the telegram referred to in paragraph 1 above, to the Hon'ble the Political Resident in the Persian Gulf, Bushire, for information (By Air Mail.).

By order, etc.,

*W. M. Mackenzie*  
Deputy Secretary to the Government of India.

BS/10-10.

Telegram Grade C. CONFIDENTIAL. 7640

From: Secretary of State for India, London.  
To: Governor General (S.A. Deptt) New Delhi.  
No. 21426  
Dated 27th (recd 28th) September 1940.

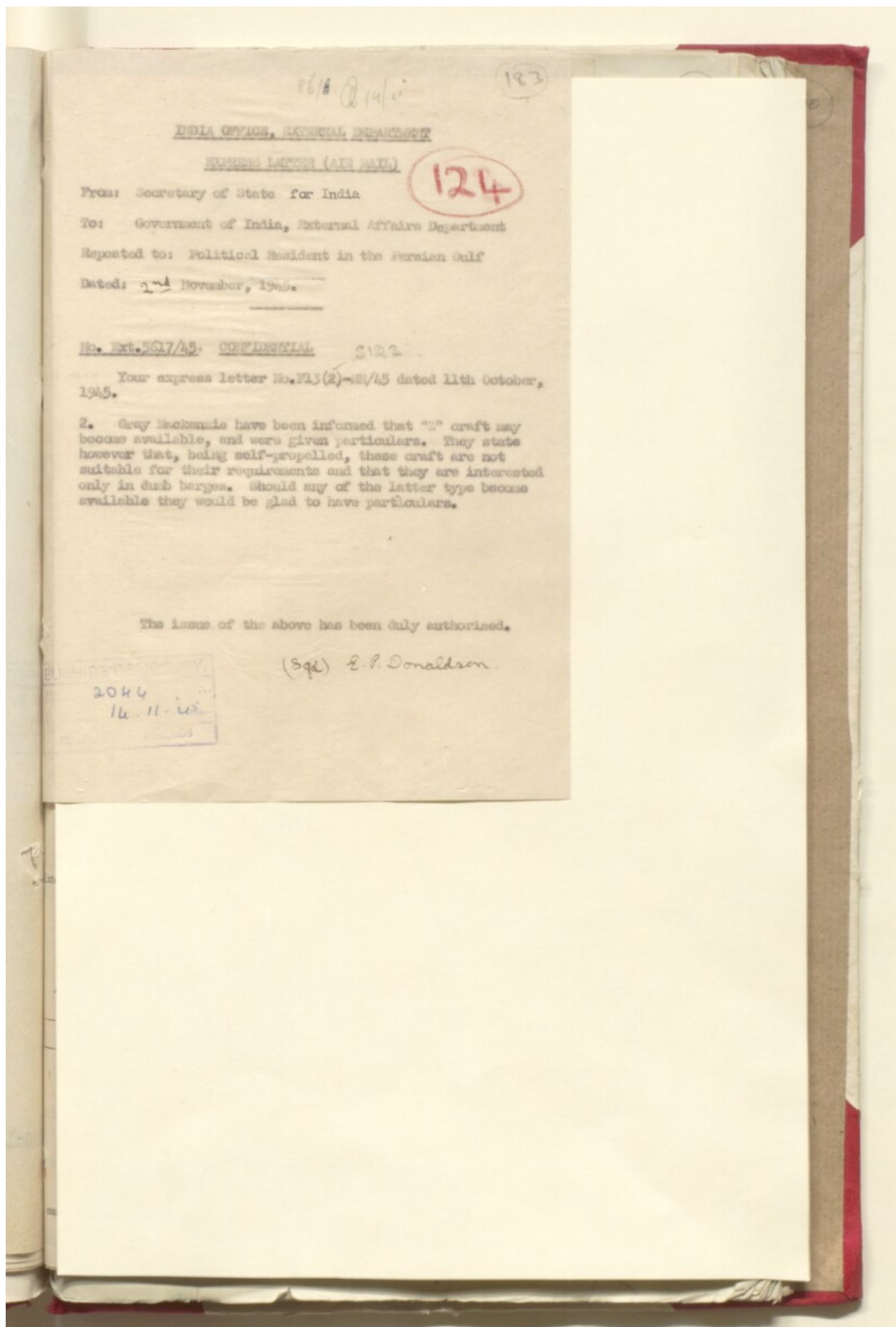
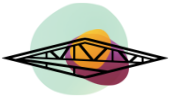
S 113

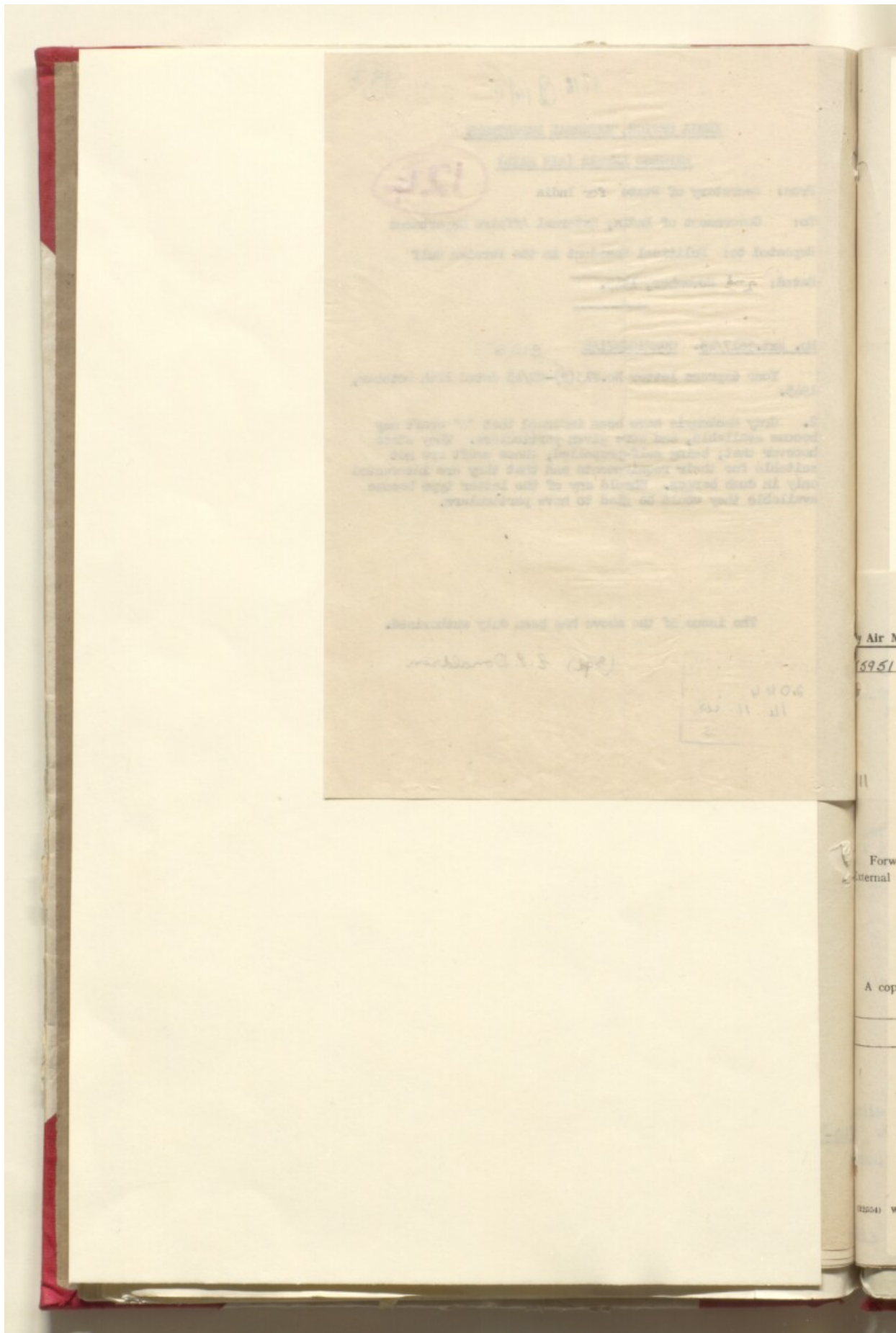
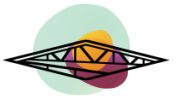
My telegram No. 19775 dated September 7th and previous correspondence.

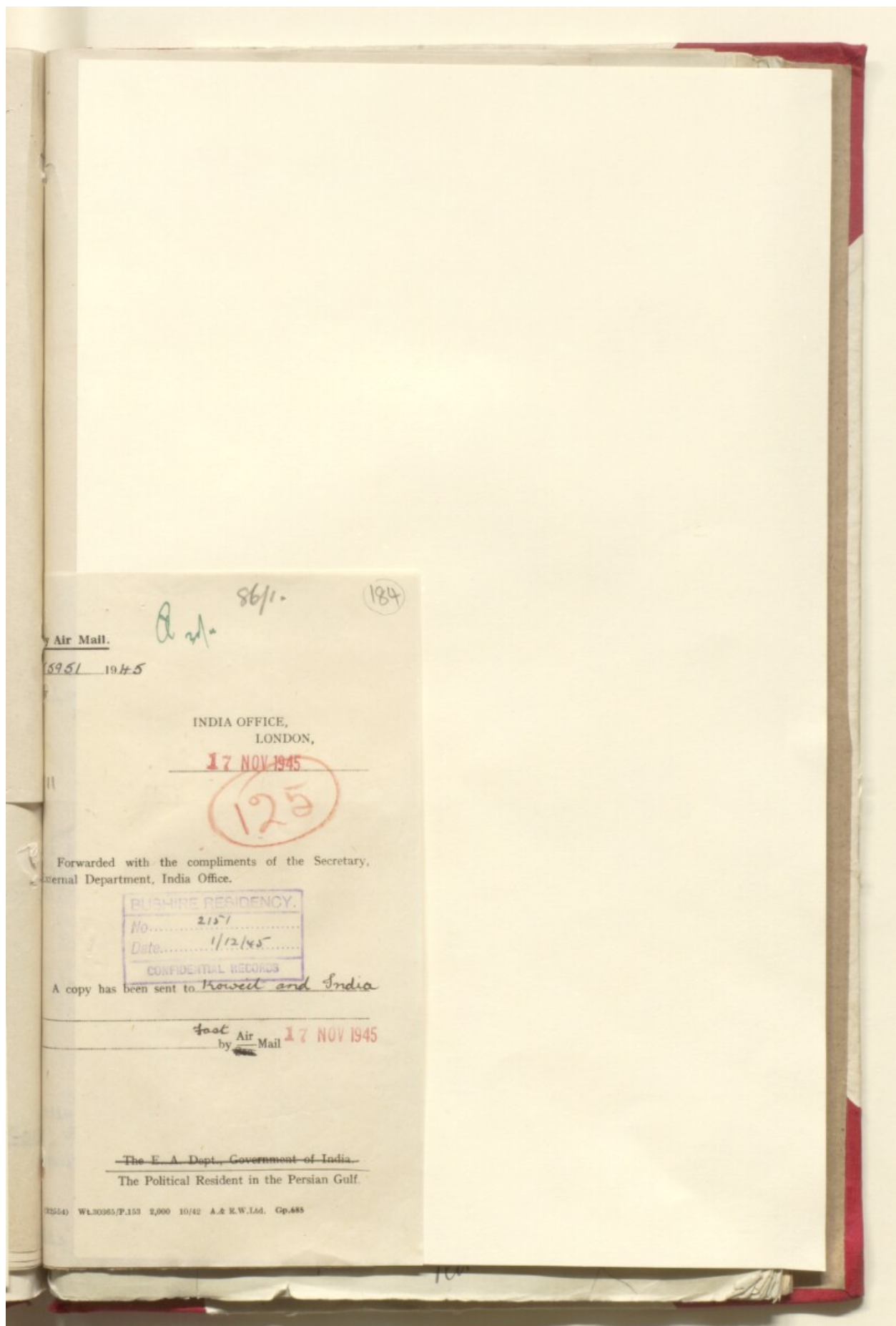
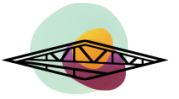
Gray Mackenzie have approached us for help in obtaining 4 sea going steel barges approximately 125 feet long by 25 feet beam by 6 feet moulded depth with carrying capacity of about 240 tons dead weight on draft of 4 feet 9 inches, each with 2 batches 31/2 feet by 17 feet.

2. M.W.T. are unable to assist. Can barges be supplied from India.

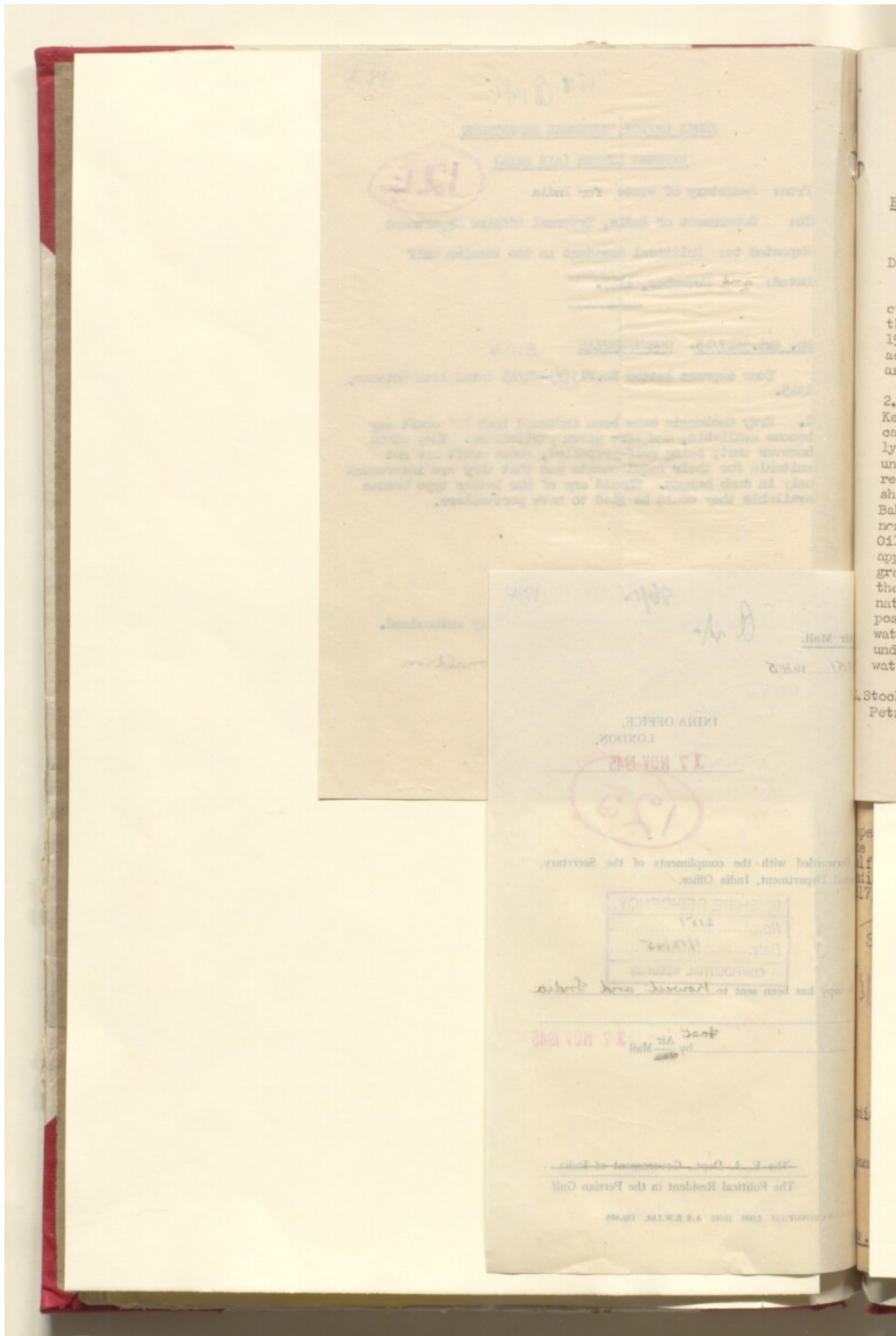


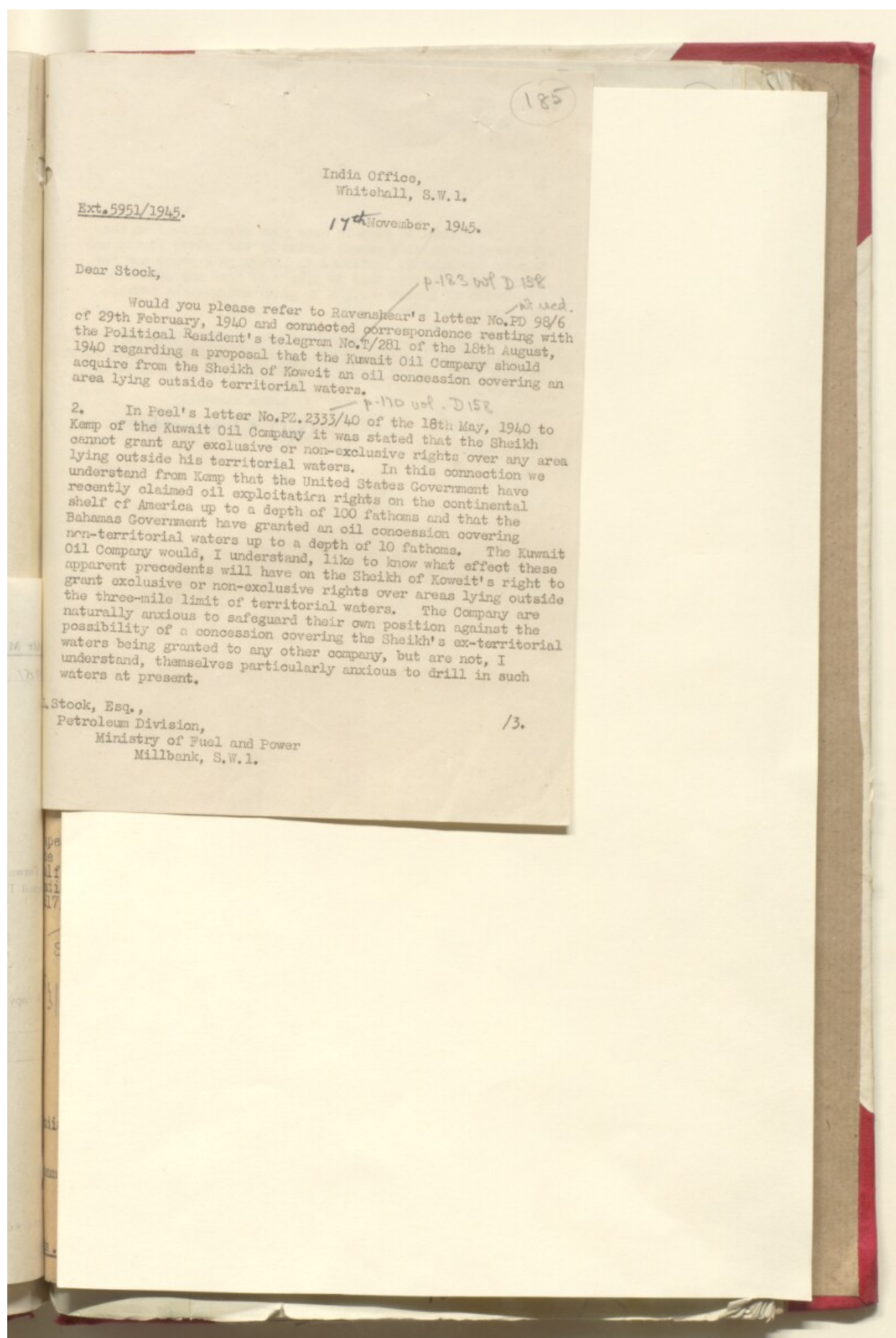


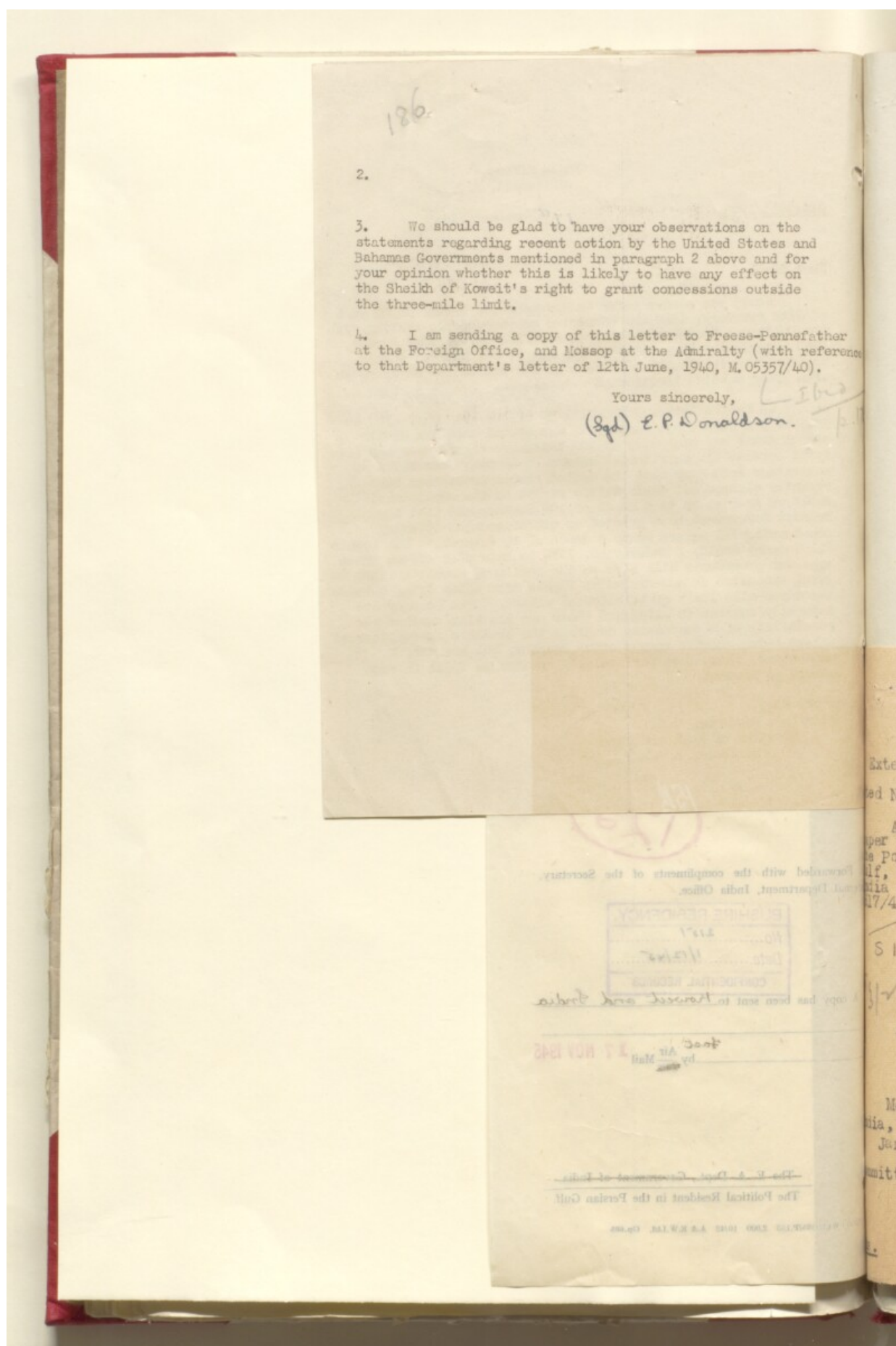




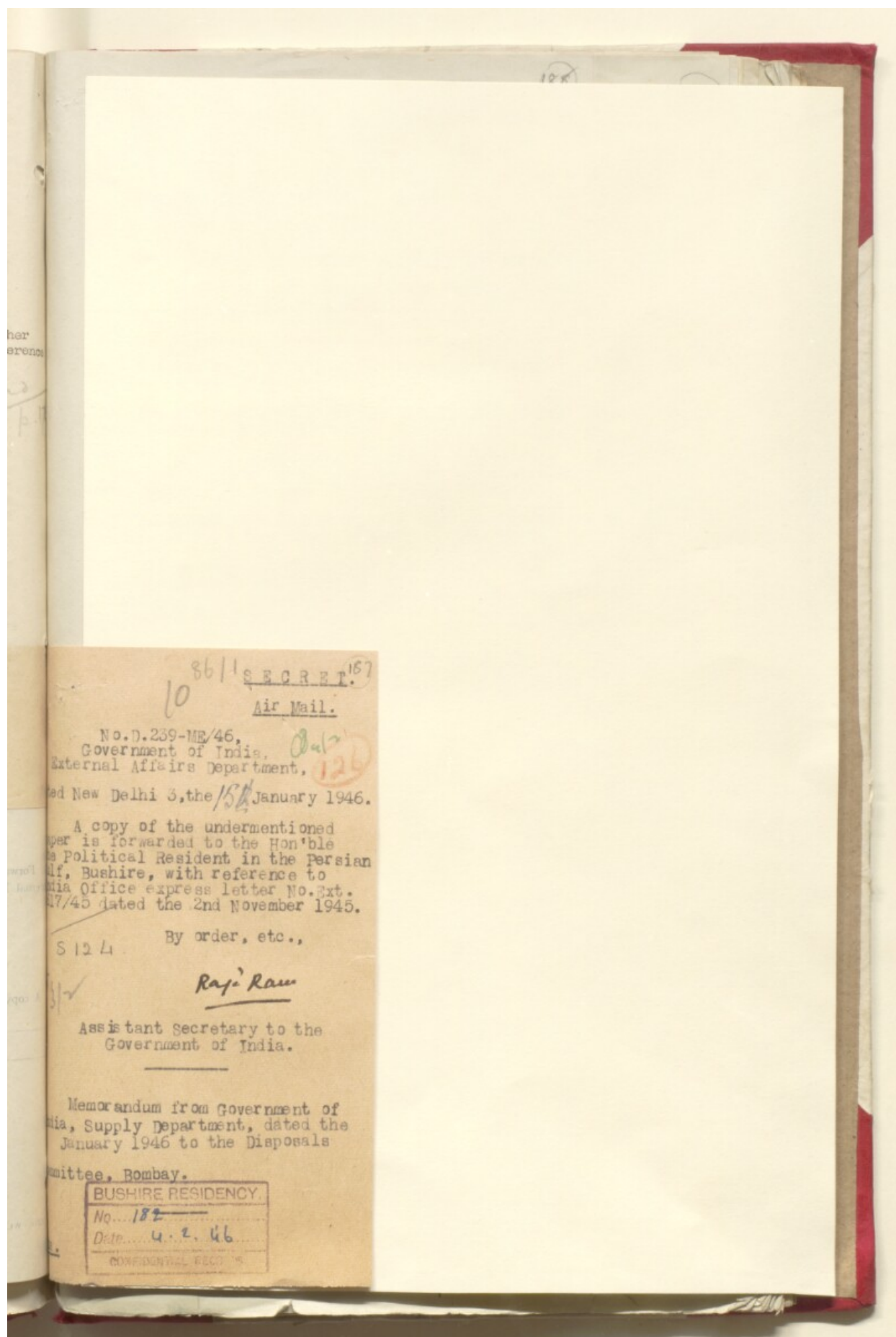


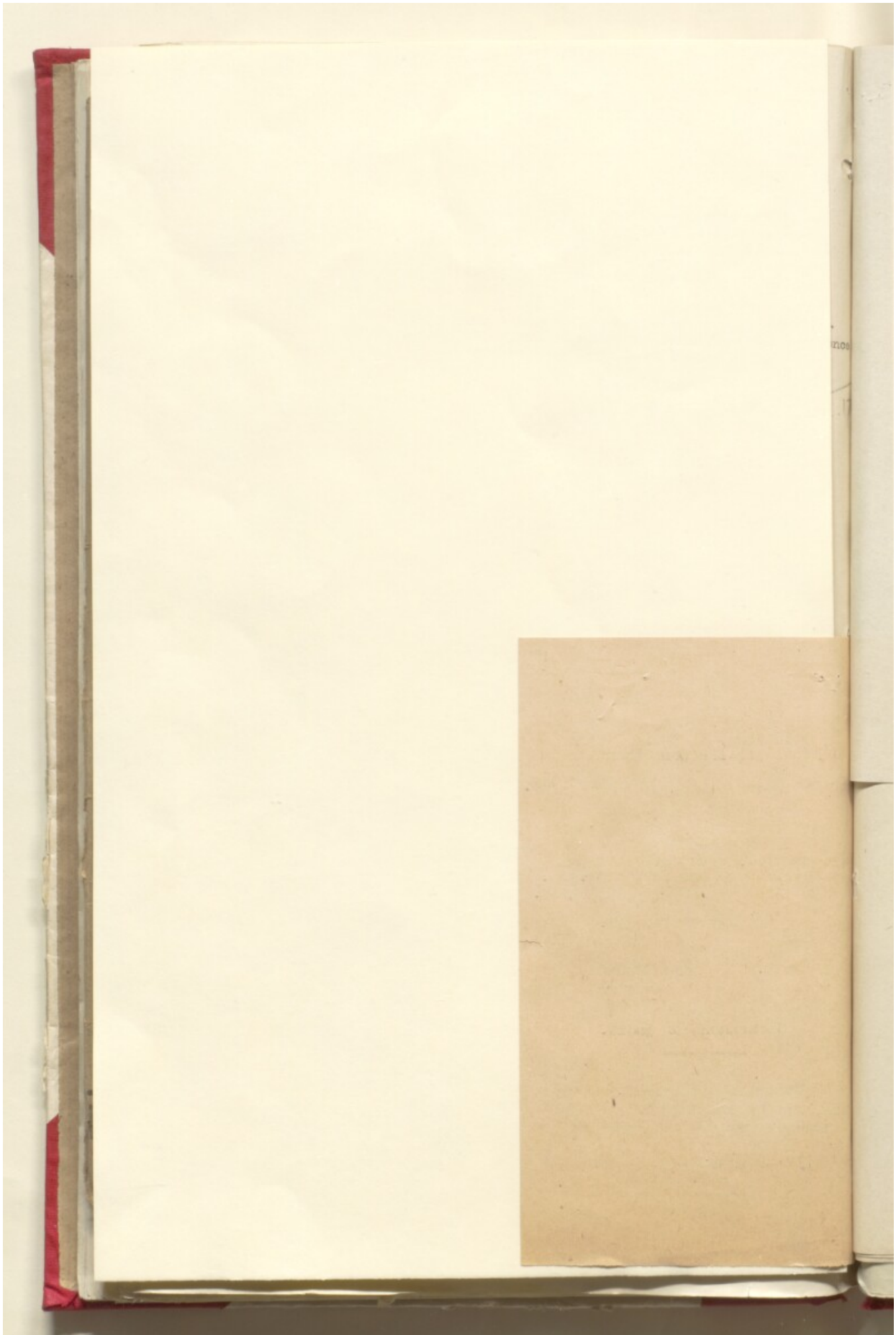














188  
DIRECTORATE OF TRANSPORTATION STORES(D)  
DISPOSAL DIRECTORATE,  
New Delhi, the 3-1- 1946.

To  
The Disposal Committee,  
SORNE (India),  
Amrut Buildings, Bombay.

Sub:- Disposal of Surplus Royal Navy Stores.

It is advised that Messrs. Gray, Mackenzie & Co.,  
Persian Gulf.

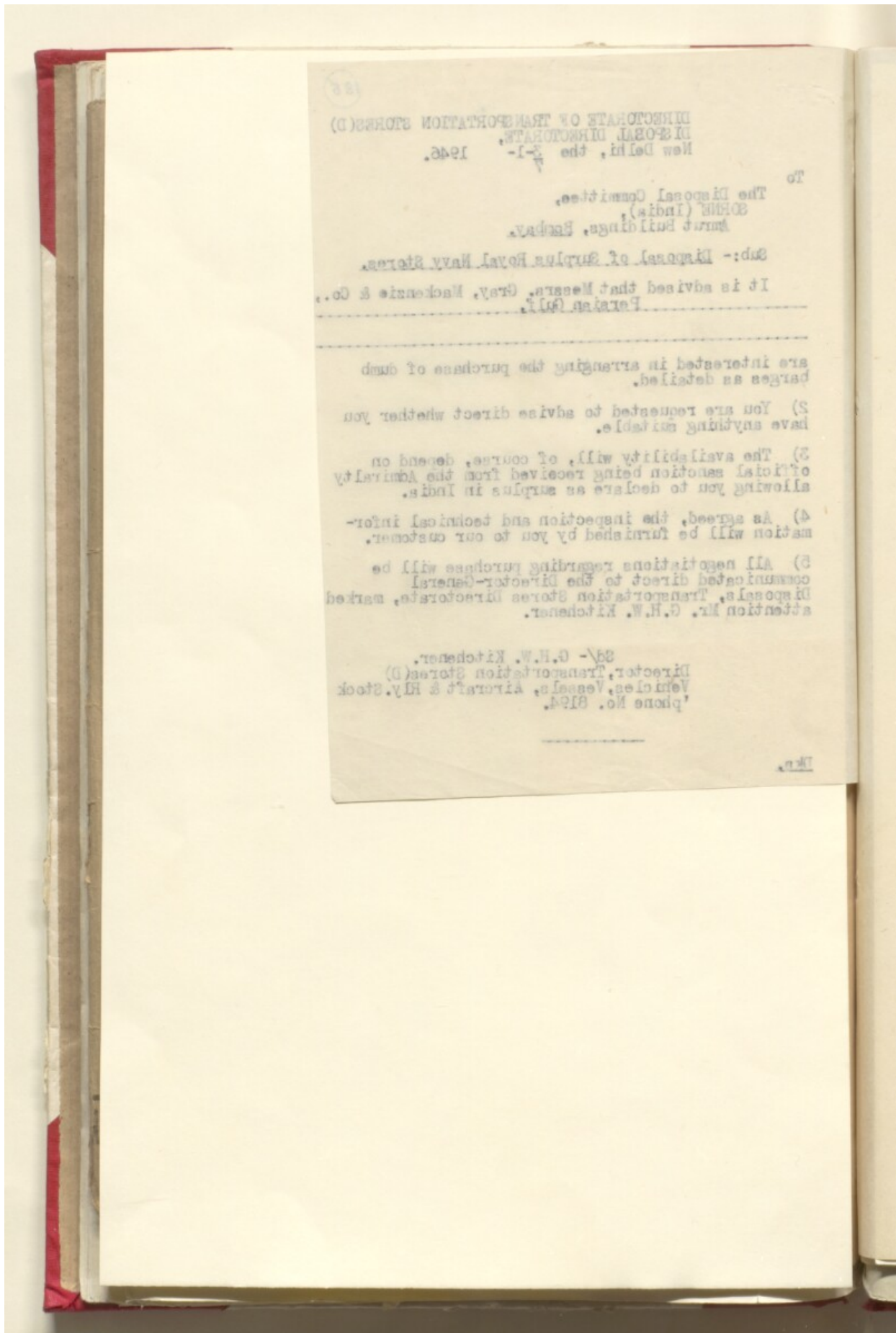
are interested in arranging the purchase of dumb  
barges as detailed.

- 2) You are requested to advise direct whether you  
have anything suitable.
- 3) The availability will, of course, depend on  
official sanction being received from the Admiralty  
allowing you to declare as surplus in India.
- 4) As agreed, the inspection and technical infor-  
mation will be furnished by you to our customer.
- 5) All negotiations regarding purchase will be  
communicated direct to the Director-General  
Disposals, Transportation Stores Directorate, marked  
attention Mr. G.H.W. Kitchener.

Sd/- G.H.W. Kitchener.  
Director, Transportation Stores(D)  
Vehicles, Vessels, Aircraft & Rly. Stock  
phone No. 8194.

Dka.







86/1

Telegram Q  
From India Office, London.  
To Political Resident, Bushire.  
Repeated Government of India, New Delhi.  
Political Agent, Kuwait.

No.2440

Dated 4th received 5th February 1946.

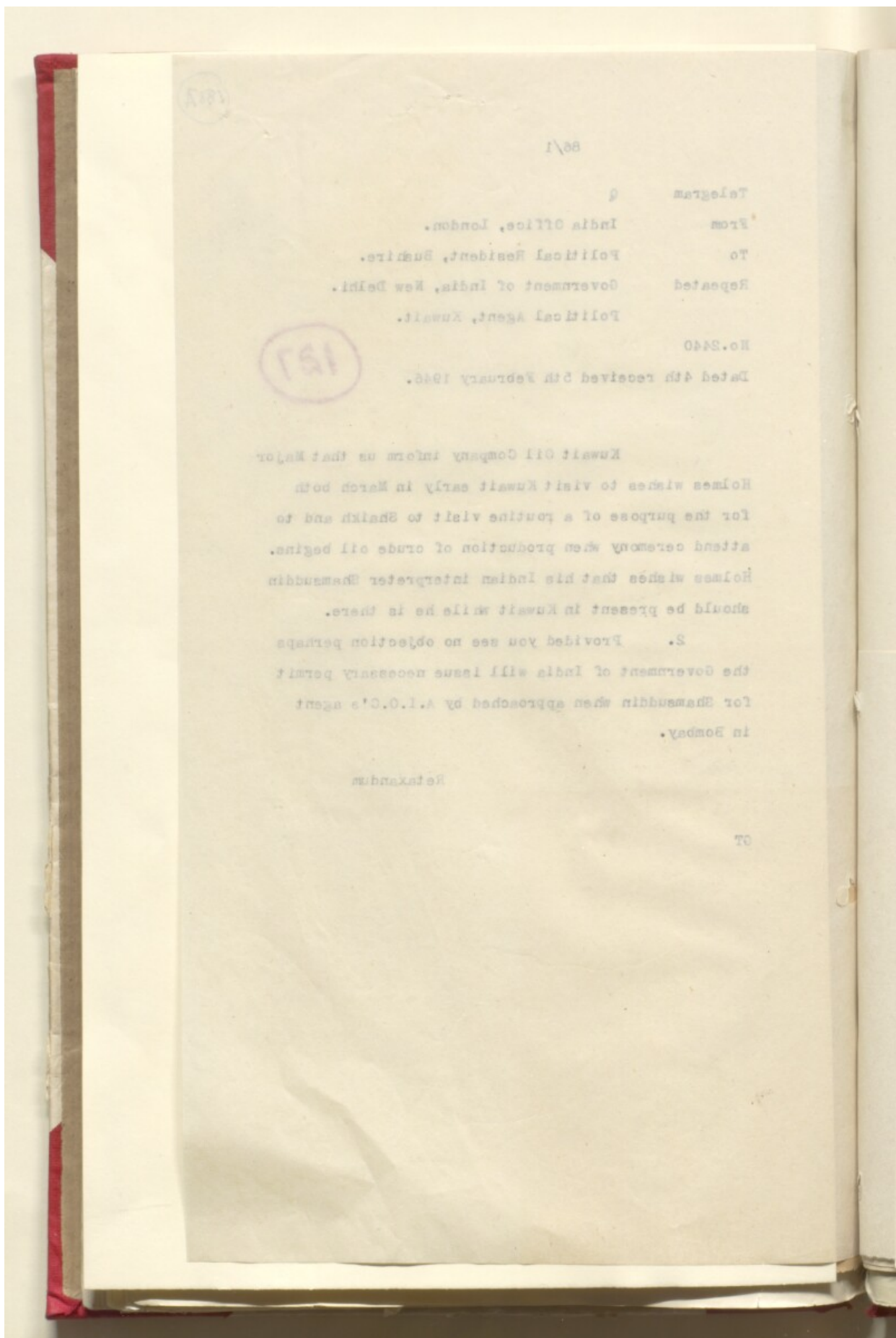
127

Kuwait Oil Company inform us that Major Holmes wishes to visit Kuwait early in March both for the purpose of a routine visit to Shaikh and to attend ceremony when production of crude oil begins. Holmes wishes that his Indian interpreter Shamsuddin should be present in Kuwait while he is there.

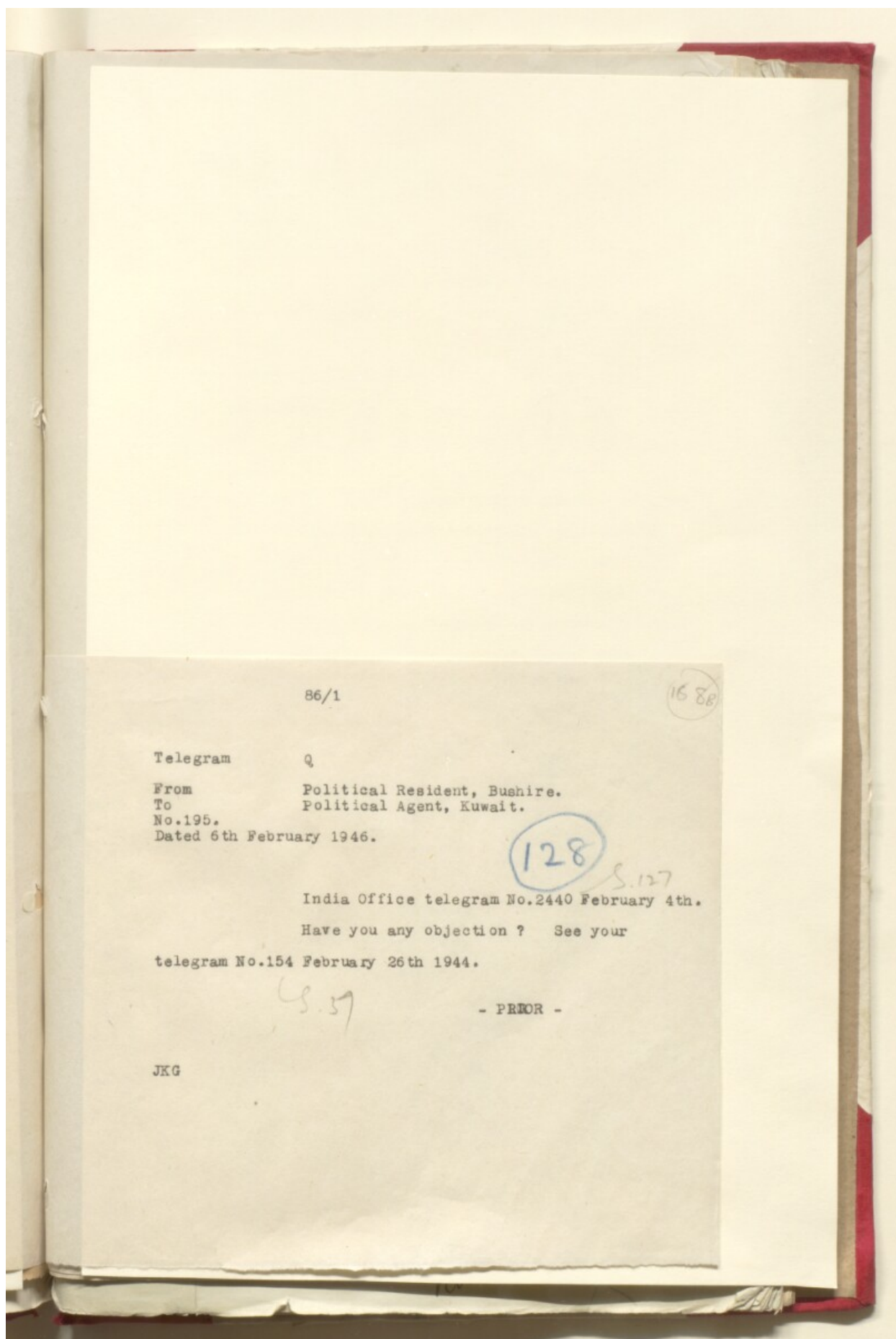
2. Provided you see no objection perhaps the Government of India will issue necessary permit for Shamsuddin when approached by A.I.O.C's agent in Bombay.

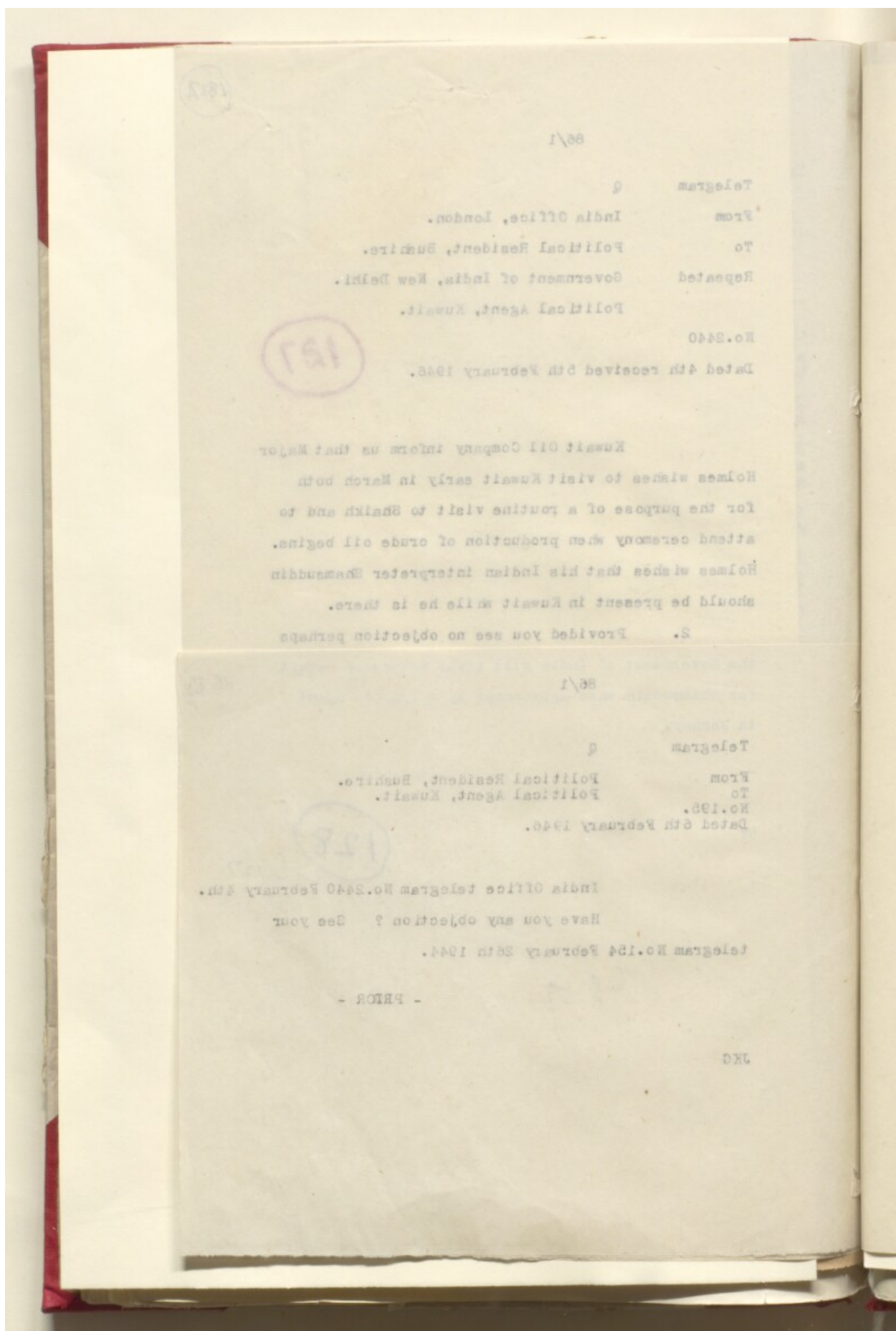
Retaxandum

GT











86/1

Telegram S.3.  
From India Office, London.  
To Political Resident, Bushire.  
Repeated Government of India, New Delhi.  
No. 2497.  
Dated 5th received 7th February 1946.  
Important

129

U.S. Government have enquired whether His Majesty's Government have any objection to publication in series of volumes entitled "Foreign Relations of U.S." various documents including certain correspondence between Foreign Office and U.S. Embassy in 1932 concerning application of Eastern and General Syndicate and A.P.O.C. for oil concession in Kuwait.

Documents include Foreign Office letters to U.S. Charge d'Affaires dated

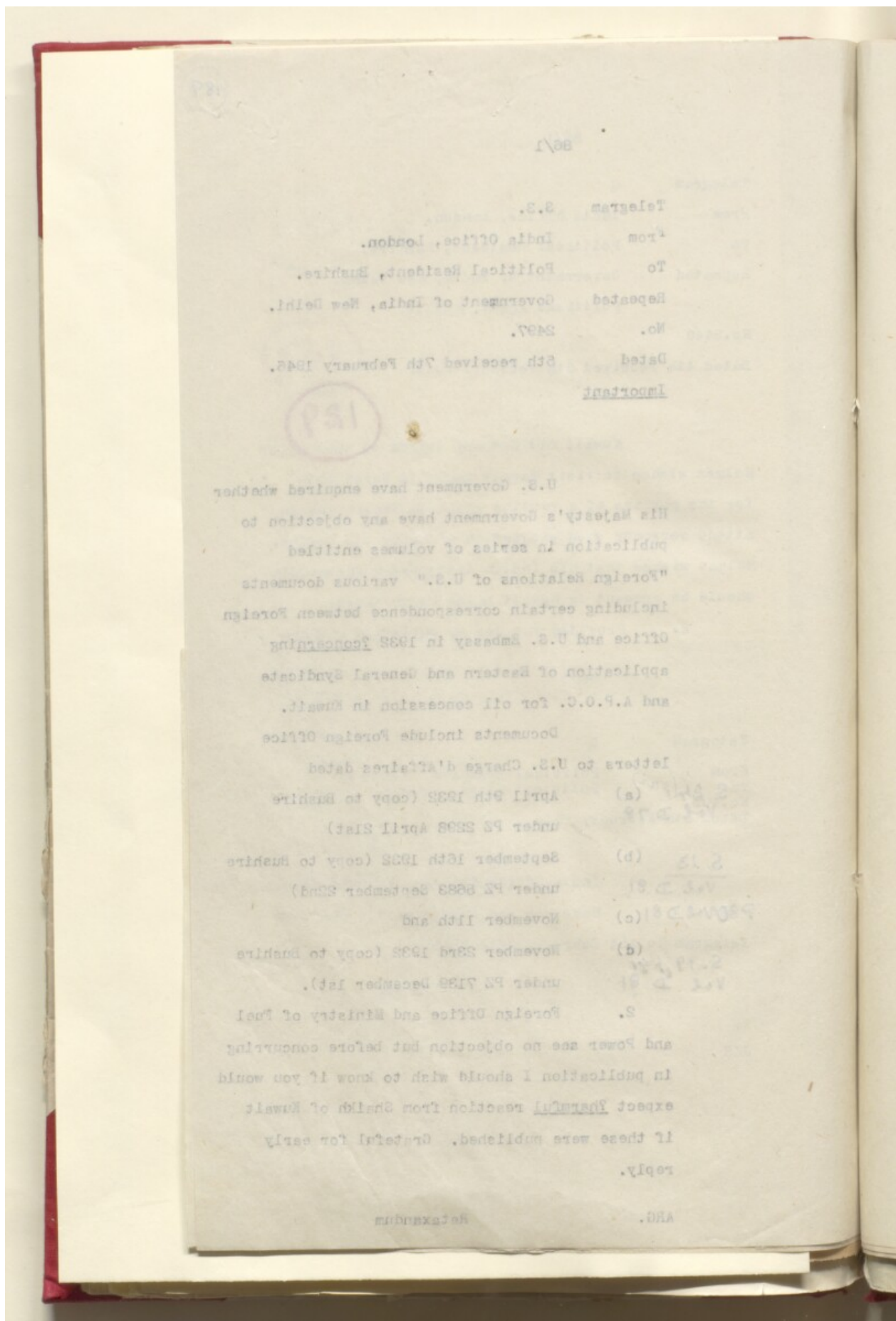
S. 24 (a) Vol. D 78	April 9th 1932 (copy to Bushire under PZ 2298 April 21st)
S. 13 (b) Vol. D 81	September 16th 1932 (copy to Bushire under PZ 5683 September 22nd)
P80 Vol. D 81 (c)	November 11th and
S. 19 (d) Vol. D 81	November 23rd 1932 (copy to Bushire under PZ 7139 December 1st).

2. Foreign Office and Ministry of Fuel and Power see no objection but before concurring in publication I should wish to know if you would expect harmful reaction from Shaikh of Kuwait if these were published. Grateful for early reply.

ARG.

Retaxandum







86/1

190

Telegram S (Agency).  
From Political Resident, Bushire.  
To Political Agent, Kuwait.  
No. 224.  
Dated 7th February 1946.

130

Following is repetition of India  
Office telegram No. 2497 February 5th. Begins:

"U.S. Government .....  
..... early reply."

2. Please telegraph your observations.
3. Please see my immediately succeeding telegram.

Prior

Telegram Q.  
From Political Resident, Bushire.  
To Political Agent, Kuwait.  
No. 225.  
Dated 7th February 1946.

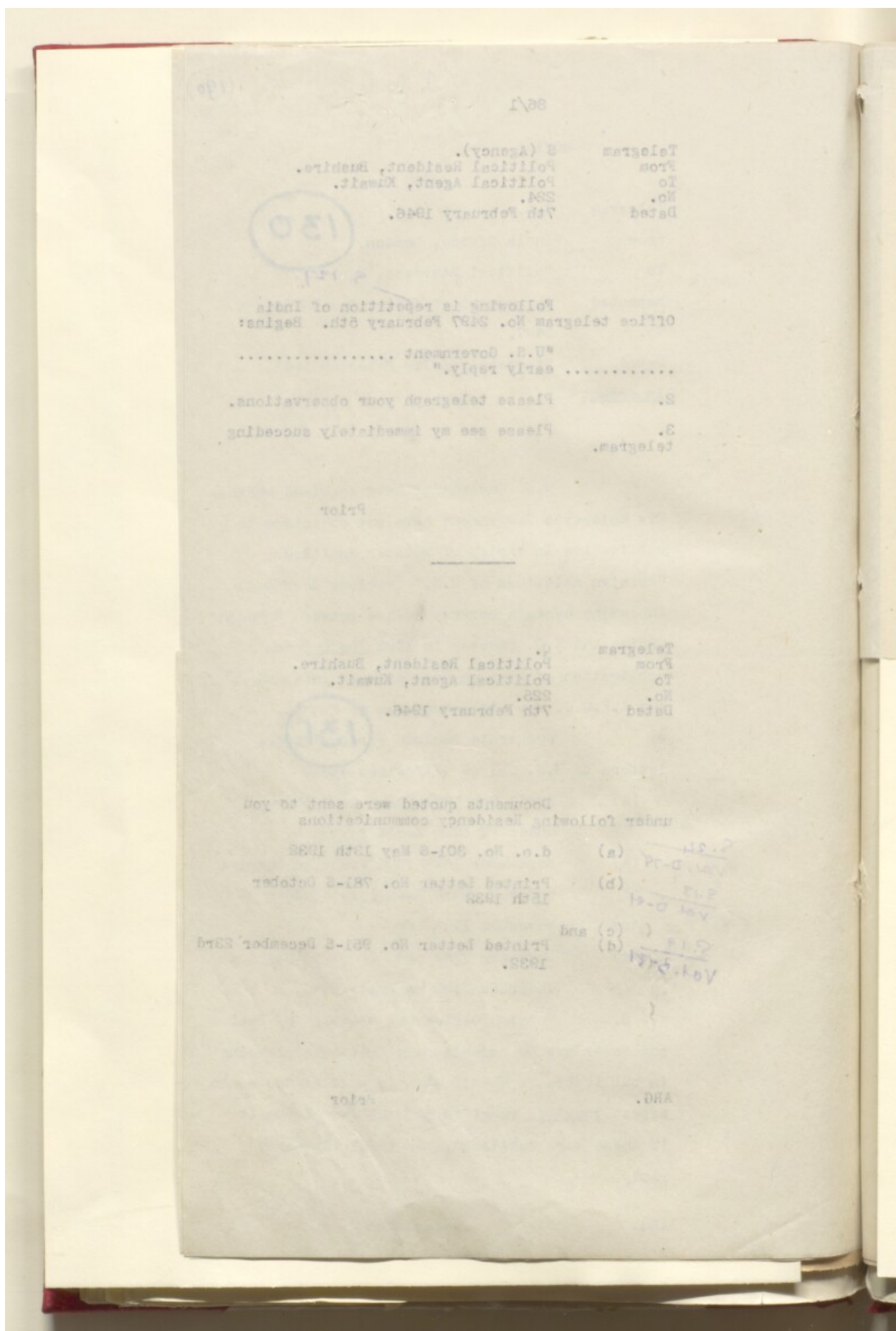
131

Documents quoted were sent to you  
under following Residency communications

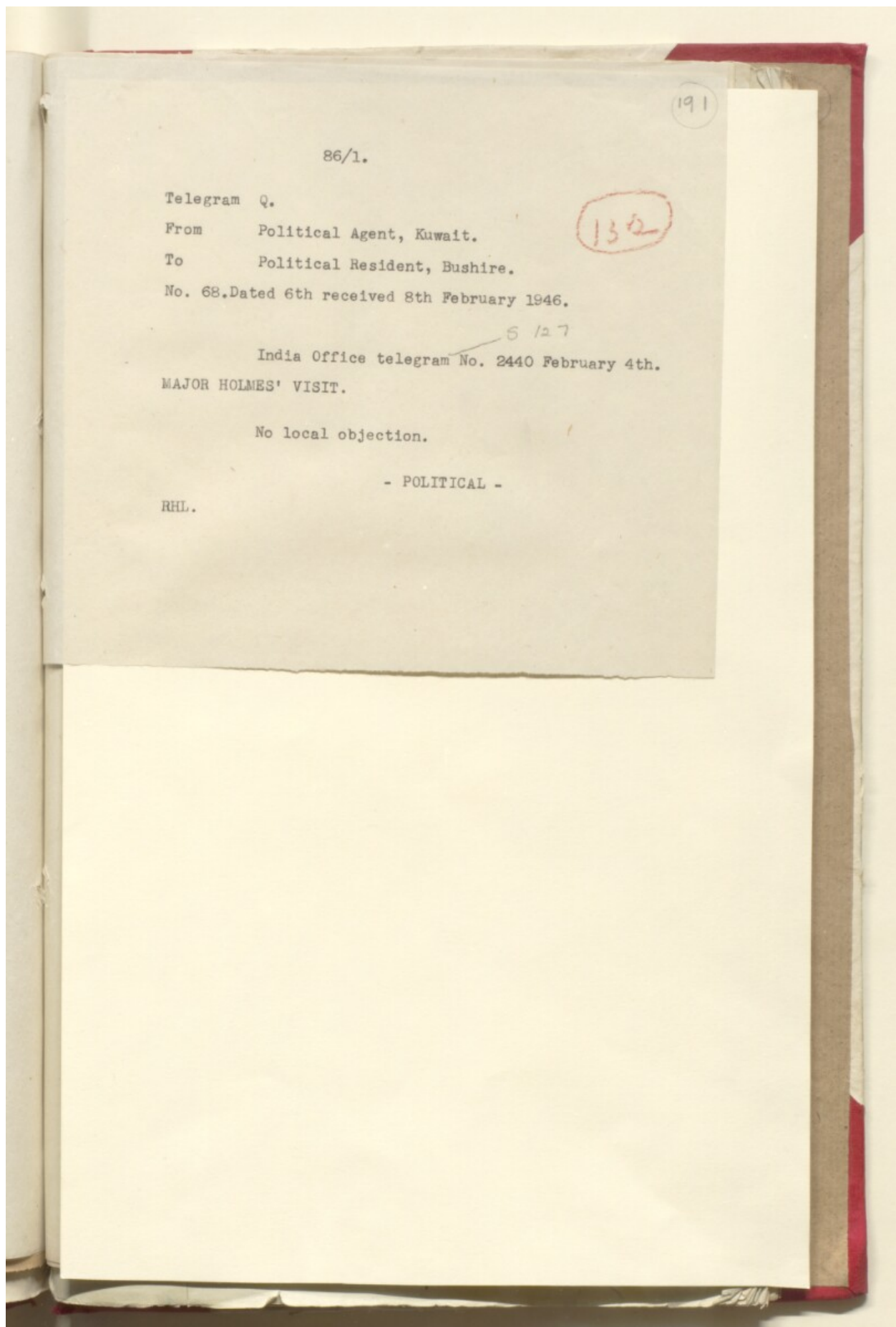
- S. 24  
Vol. D-74 (a) d.o. No. 301-S May 13th 1932
- S. 13  
Vol. D-41 (b) Printed Letter No. 781-S October  
15th 1932
- S. 14  
Vol. D-81 (c) and  
(d) Printed Letter No. 951-S December 23rd  
1932.

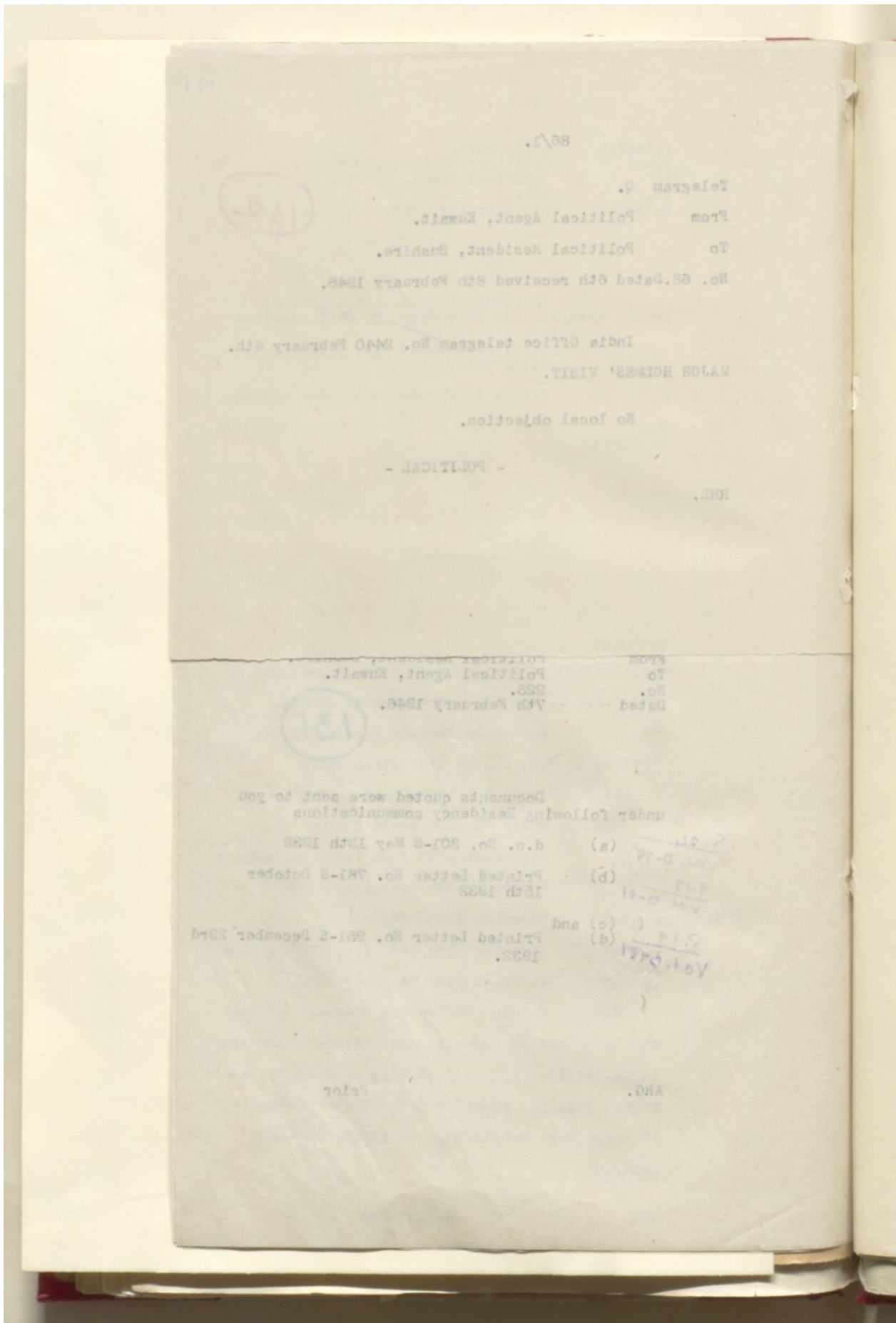
ARG.

Prior











86/1

133

Telegram Q  
From Political Resident, Bushire.  
To Government of India, New Delhi.  
Repeated Secretary of State for India, London.  
No. 233  
Dated the 9th February 1946.

India Office telegram 2440 February 4th.  
Shamsuddin.  
2. No objection.

- PRIOR -

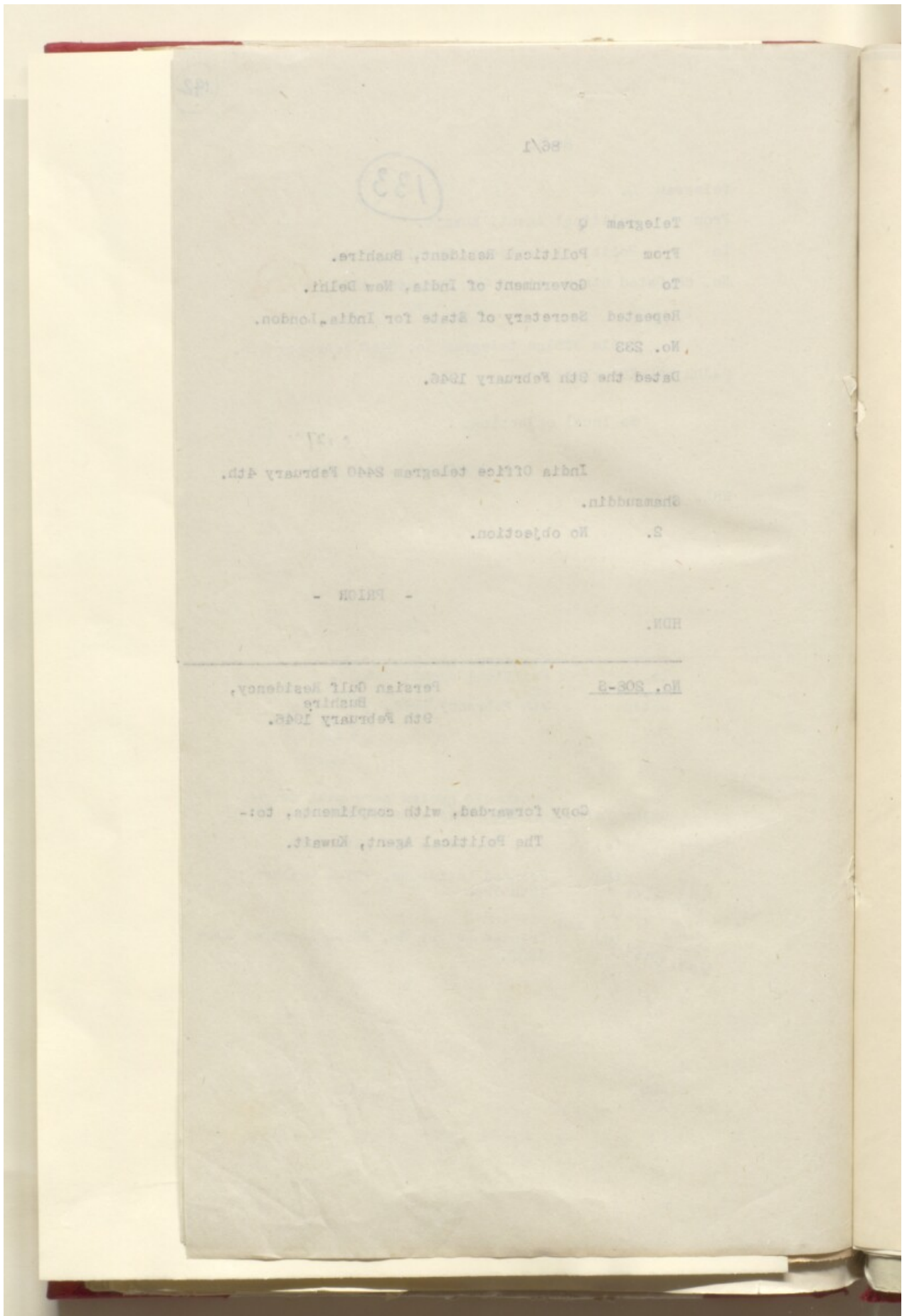
HDN.

No. 208-S

Persian Gulf Residency,  
Bushire  
9th February 1946.

Copy forwarded, with compliments, to:-  
The Political Agent, Kuwait.







86/1.

193

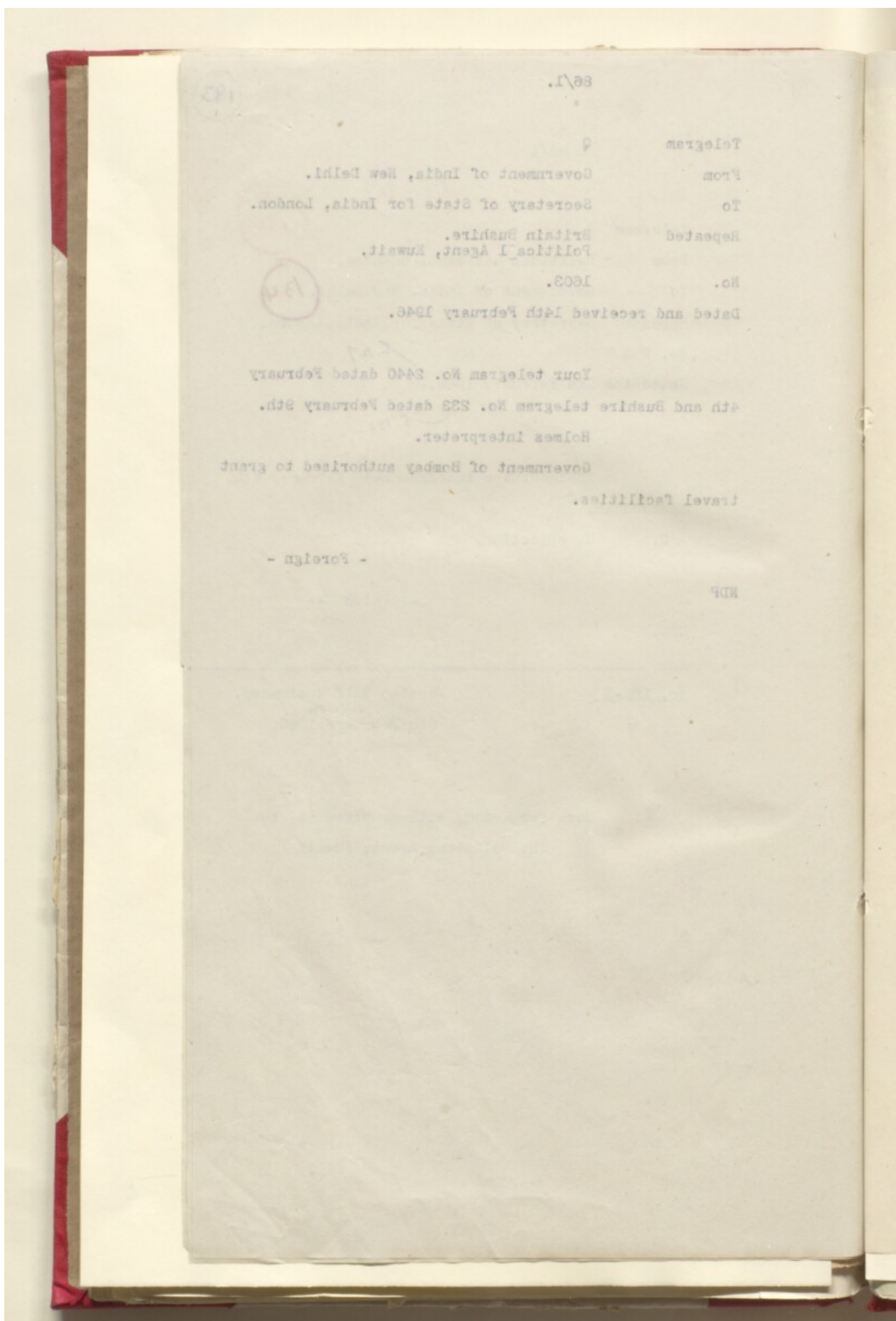
Telegram Q  
From Government of India, New Delhi.  
To Secretary of State for India, London.  
Repeated Britain Bushire.  
Political Agent, Kuwait.  
No. 1603.  
Dated and received 14th February 1946.

134

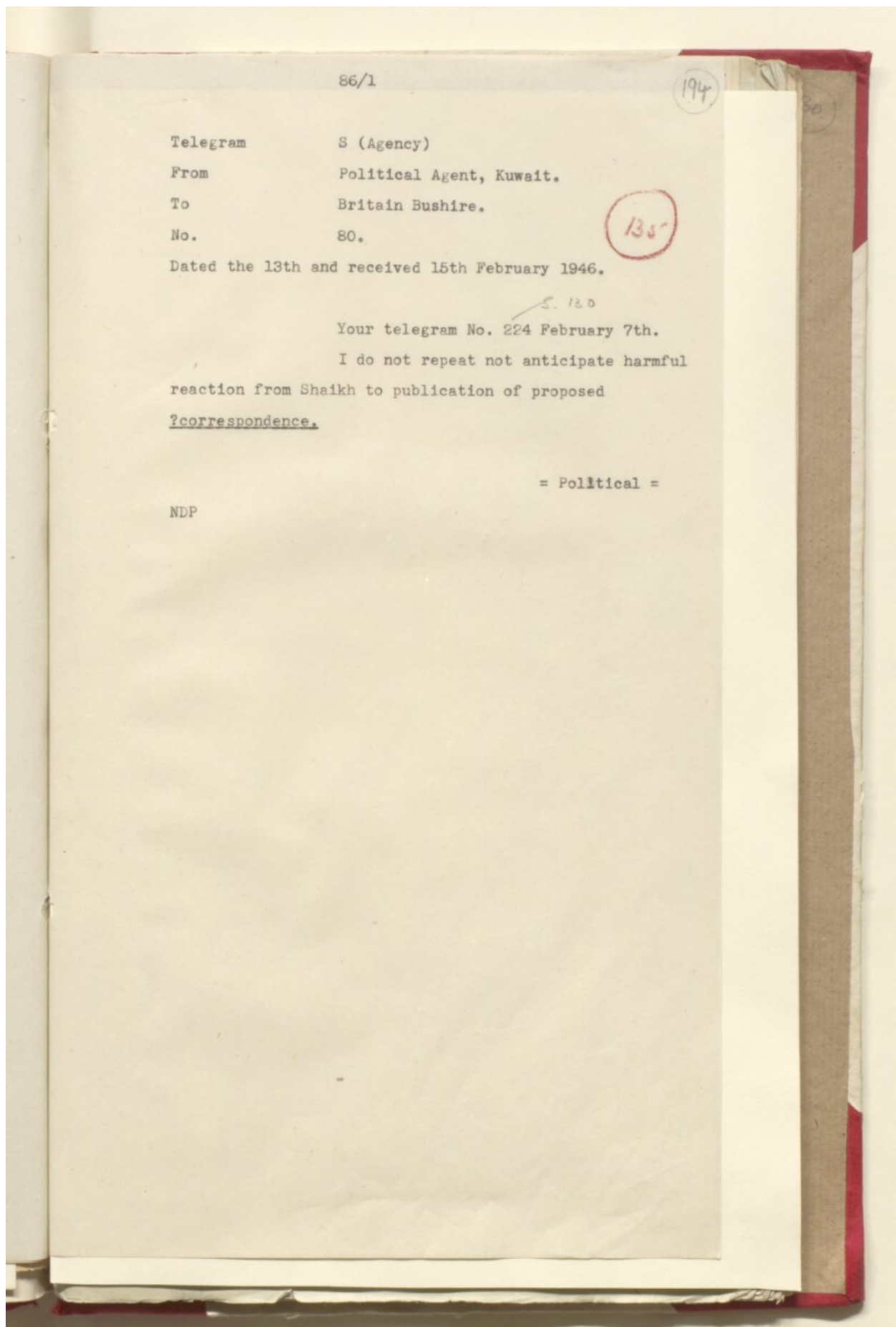
Your telegram No. 2440 dated February  
4th and Bushire telegram No. 233 dated February 9th.  
Holmes interpreter.  
Government of Bombay authorised to grant  
travel facilities.

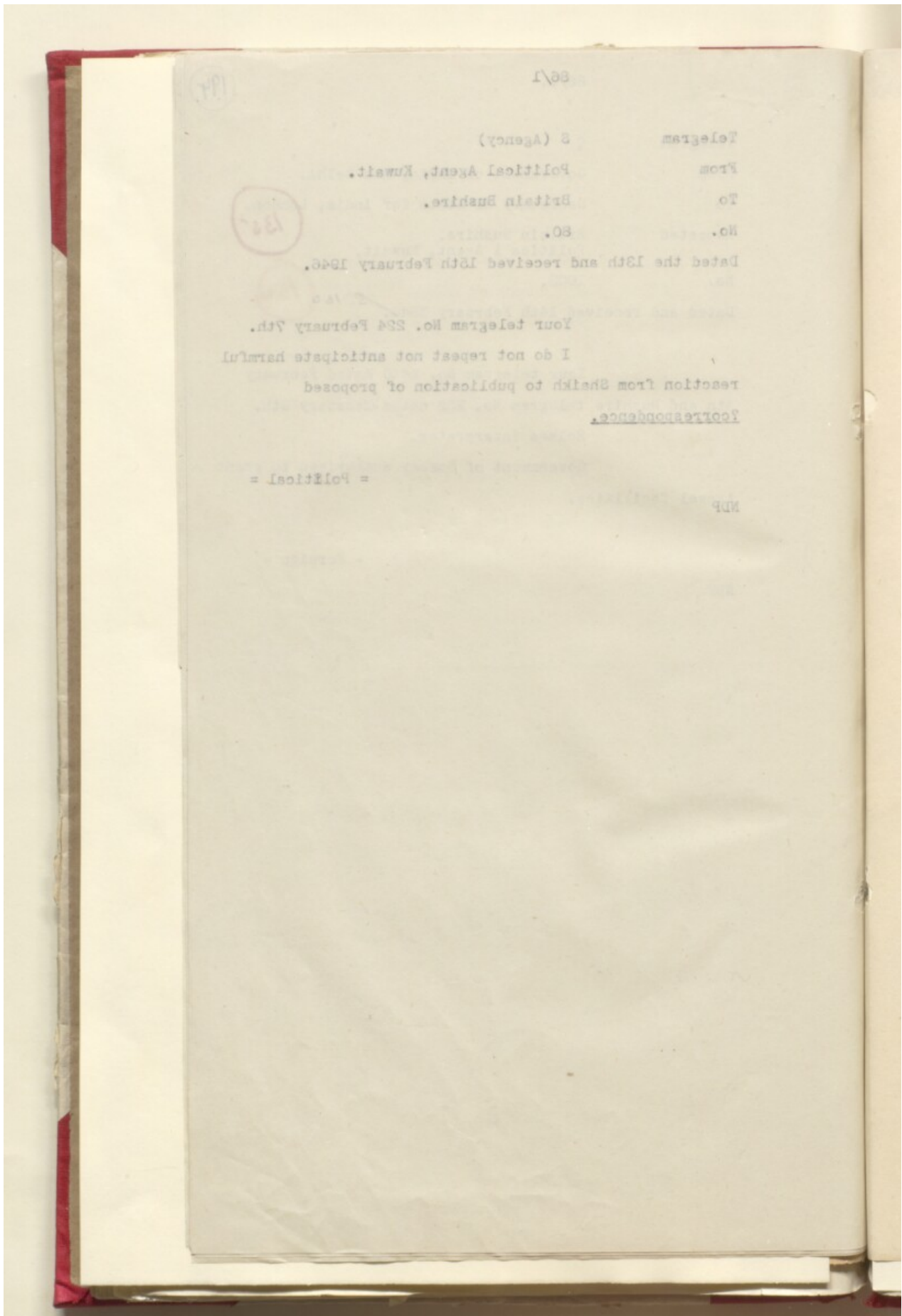
- Foreign -

NDP











86/1.

Telegram 83.

From Political Resident, on Nearchus.

To India Office, London.

Repeated Government of India, New Delhi.

No.T/45.

Dated 2nd March 1946.

Your telegram No. 2497 February 5th.

2. No harmful reaction from Shaikh to publication of proposed correspondence is anticipated.

- PRIOR -

CONFIDENTIAL.

No. C/11.

Office of the  
Political Resident, Persian Gulf,  
L.T. "Nearchus" at sea,  
the 2nd March 1946.

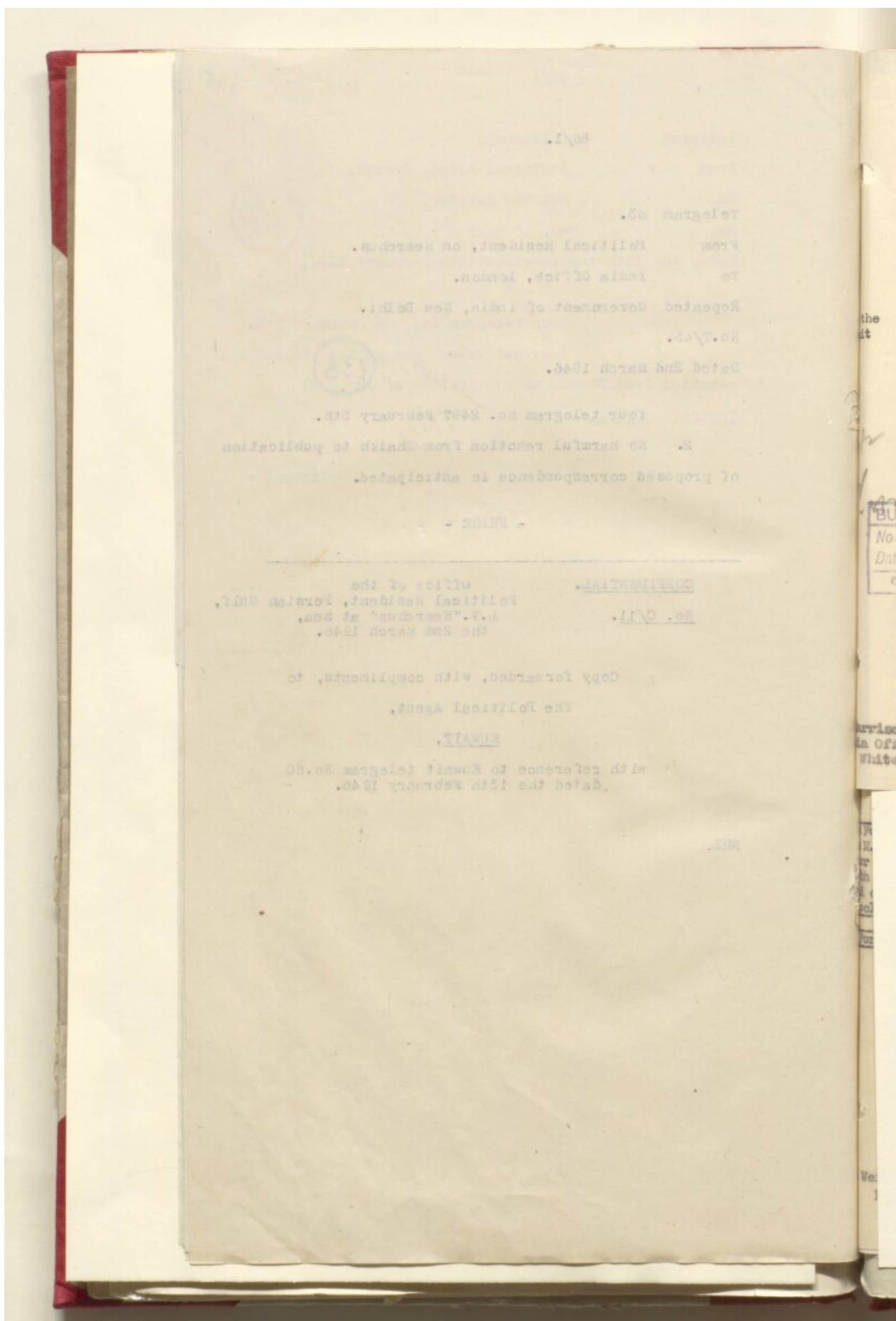
Copy forwarded, with compliments, to  
The Political Agent,

KUWAIT,

with reference to Kuwait telegram No.80  
dated the 13th February 1946.

RHL.







Ext. 830/1946.

96/1 3001 v 196  
KUWAIT OIL COMPANY, LIMITED,  
Britannic House,  
Finsbury Circus,  
London, E.C.2.

MYK. 137 30th January, 1946.

Dear Harrison,

Major Frank Holmes, who as you know is the London representative of His Highness the Shaikh of Kuwait/Oil Company, wishes to visit Kuwait early in March both for the purposes of a routine visit to His Highness and to attend the ceremony which will take place when production of crude oil begins in Kuwait.

Major Holmes will shortly apply for a passport to Kuwait etc., and if such a matter is still referred to the India Office by the Passport Office we shall be glad if you would facilitate the issue of a passport to Major Holmes.

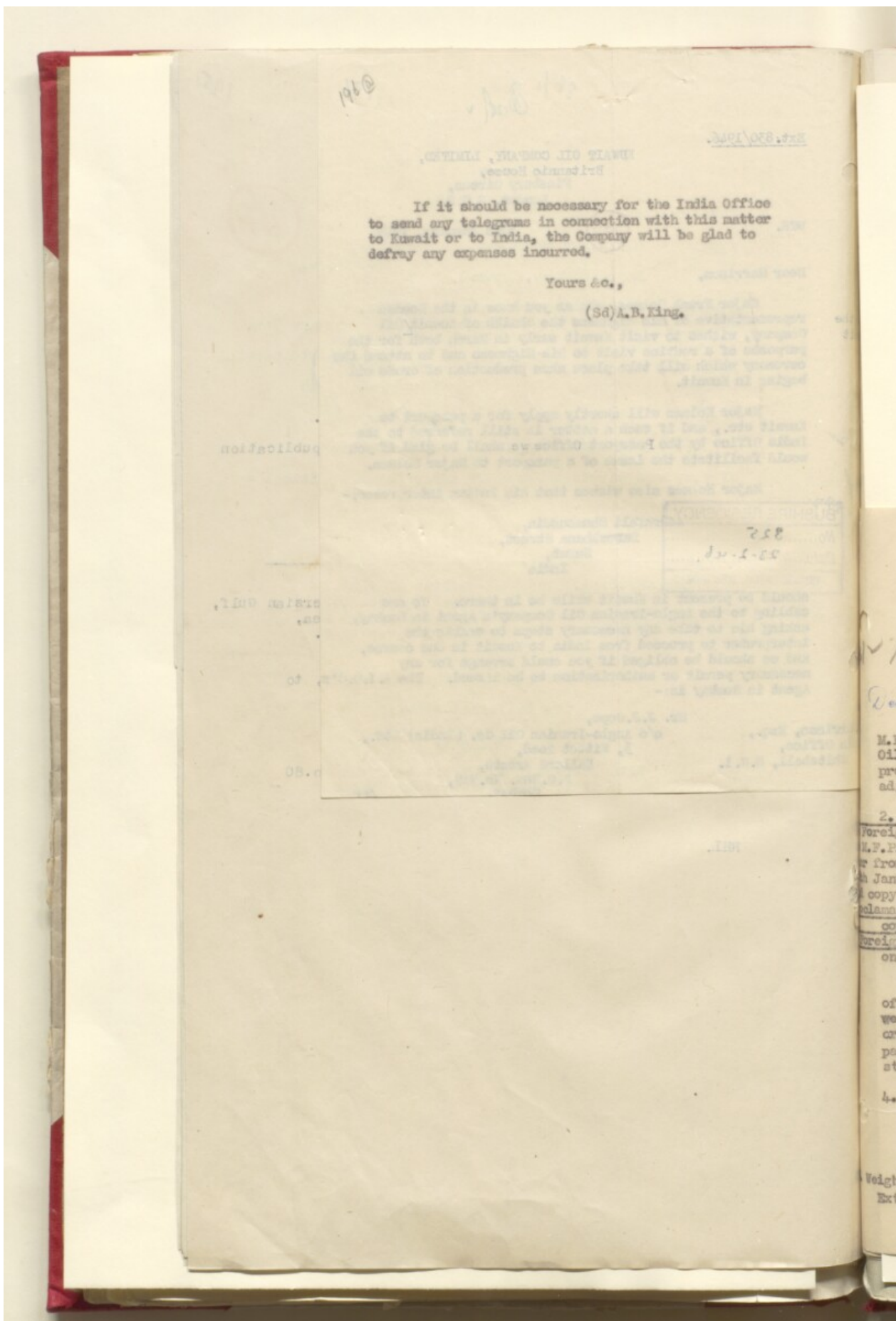
Major Holmes also wishes that his Indian interpreter, -

BUSHIRE RESIDENCY  
No..... 325 .....  
Date..... 23-1-46 .....  
CONFIDENTIAL RECORDS

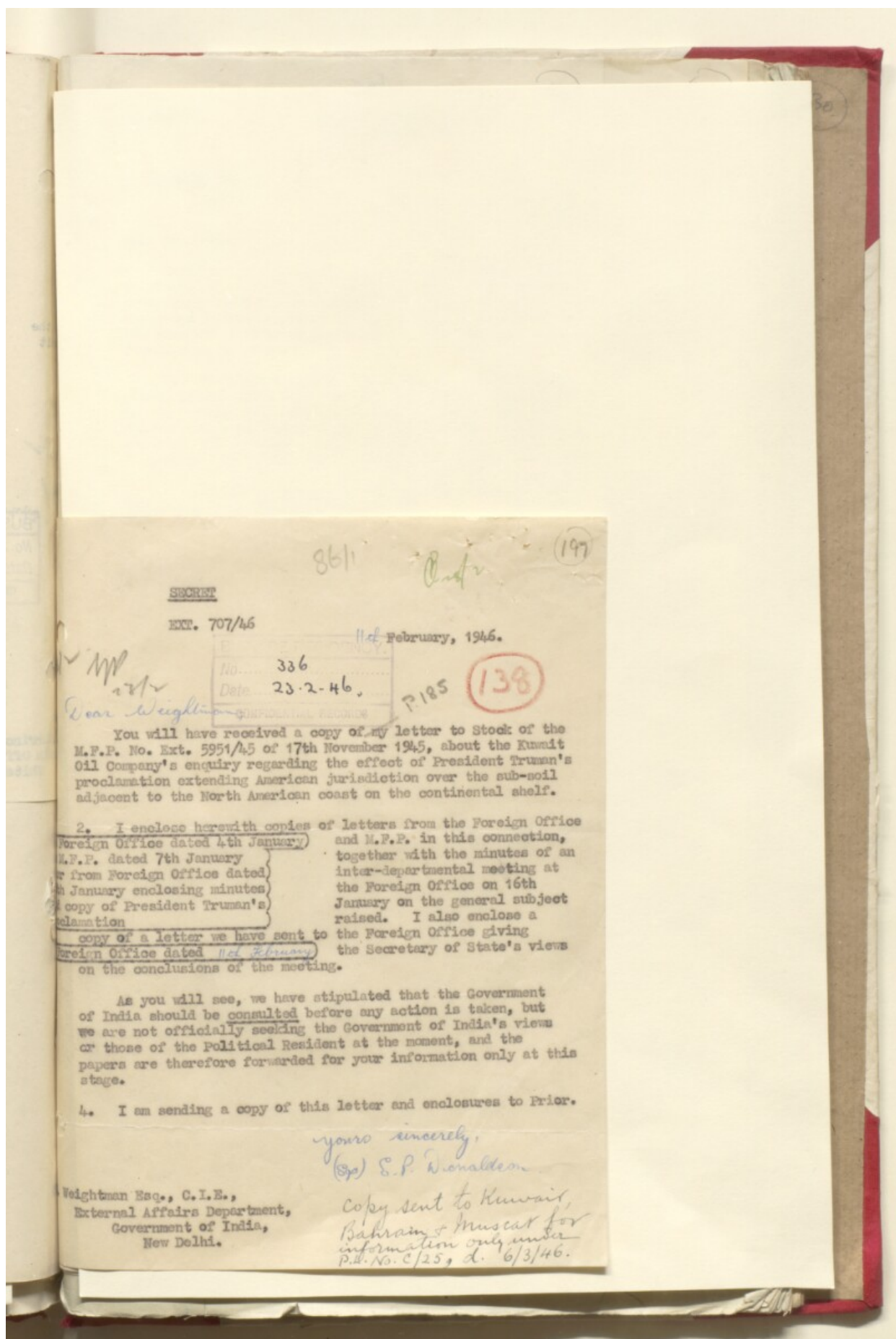
Shrafali Shamsuddin,  
Barowkhana Street,  
Surat,  
India  
should be present in Kuwait while he is there. We are cabling to the Anglo-Iranian Oil Company's Agent in Bombay, asking him to take any necessary steps to enable the interpreter to proceed from India to Kuwait in due course, and we should be obliged if you could arrange for any necessary permit or authorization to be issued. The A.I.O.C's Agent in Bombay is:-

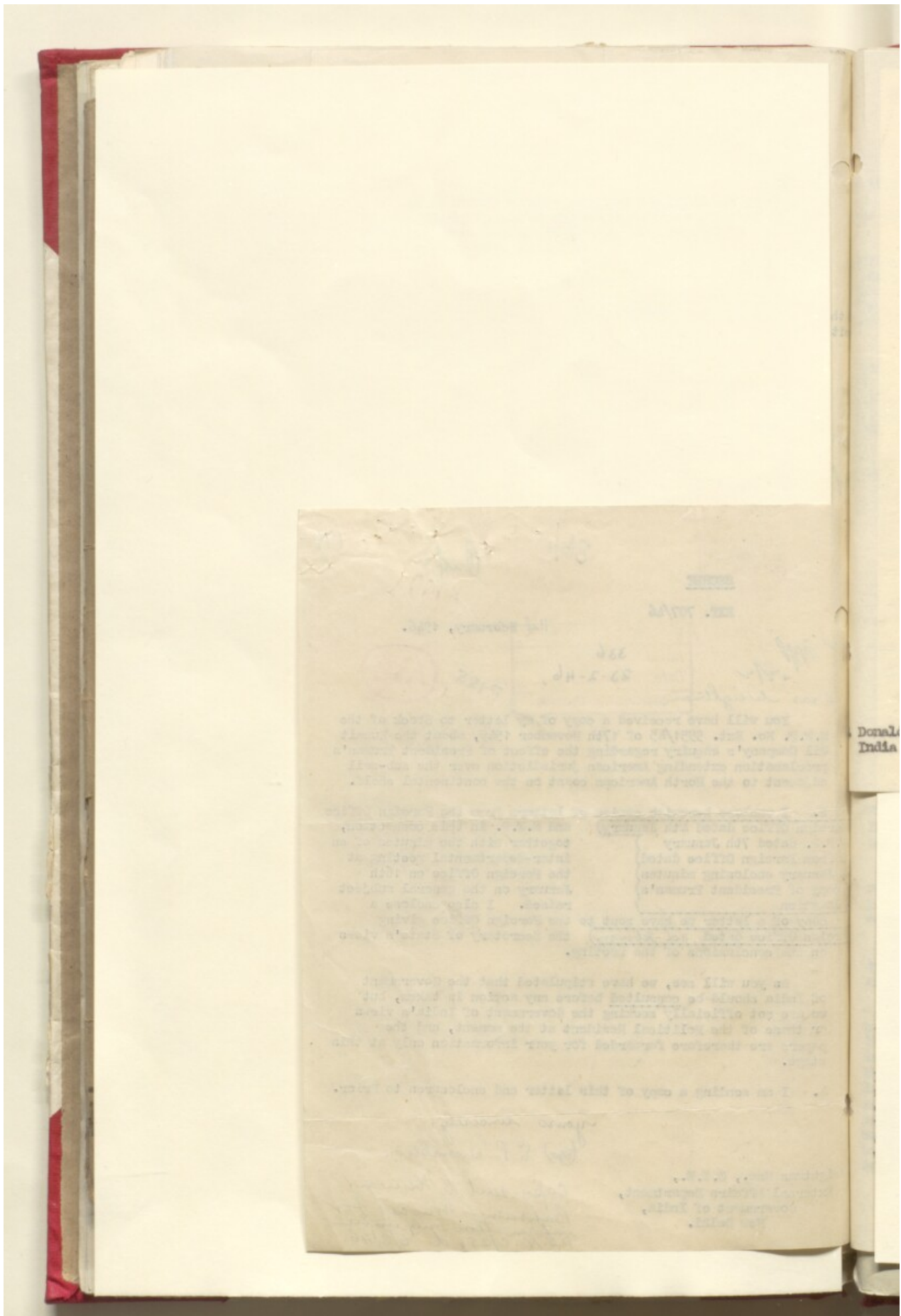
Harrison, Esq.,  
India Office,  
Whitehall, S.W.1.

Mr. J.J. Cope,  
c/o Anglo-Iranian Oil Co. (India) Ltd.,  
3, Witlet Road,  
Ballard Estate,  
P.O. Box, No. 919,  
Bombay.











Ext.189/46.

FOREIGN OFFICE, S.W.I.  
4th January, 1946.

198

(W 15433/12/76)

Dear Donaldson,

P. 185

Would you please refer to your letter Ext.5951/1945 to Stock, Ministry of Fuel and Power, dated 17th November, concerning the right of the Sheikh of Kuwait to grant exclusive or non-exclusive rights over areas lying outside the three-mile limit of territorial waters for oil development purposes.

2. We do not consider that either the recent United States proclamation with regard to the subsoil and sea bed of the continental shelf or the case of the Bahamas have altered the legal position and for the present our views are still as stated in paragraphs 3(a) and (b) of *Not read* Baggallay's letter to Peel No.E.405/19/91 of 2nd March, 1940.

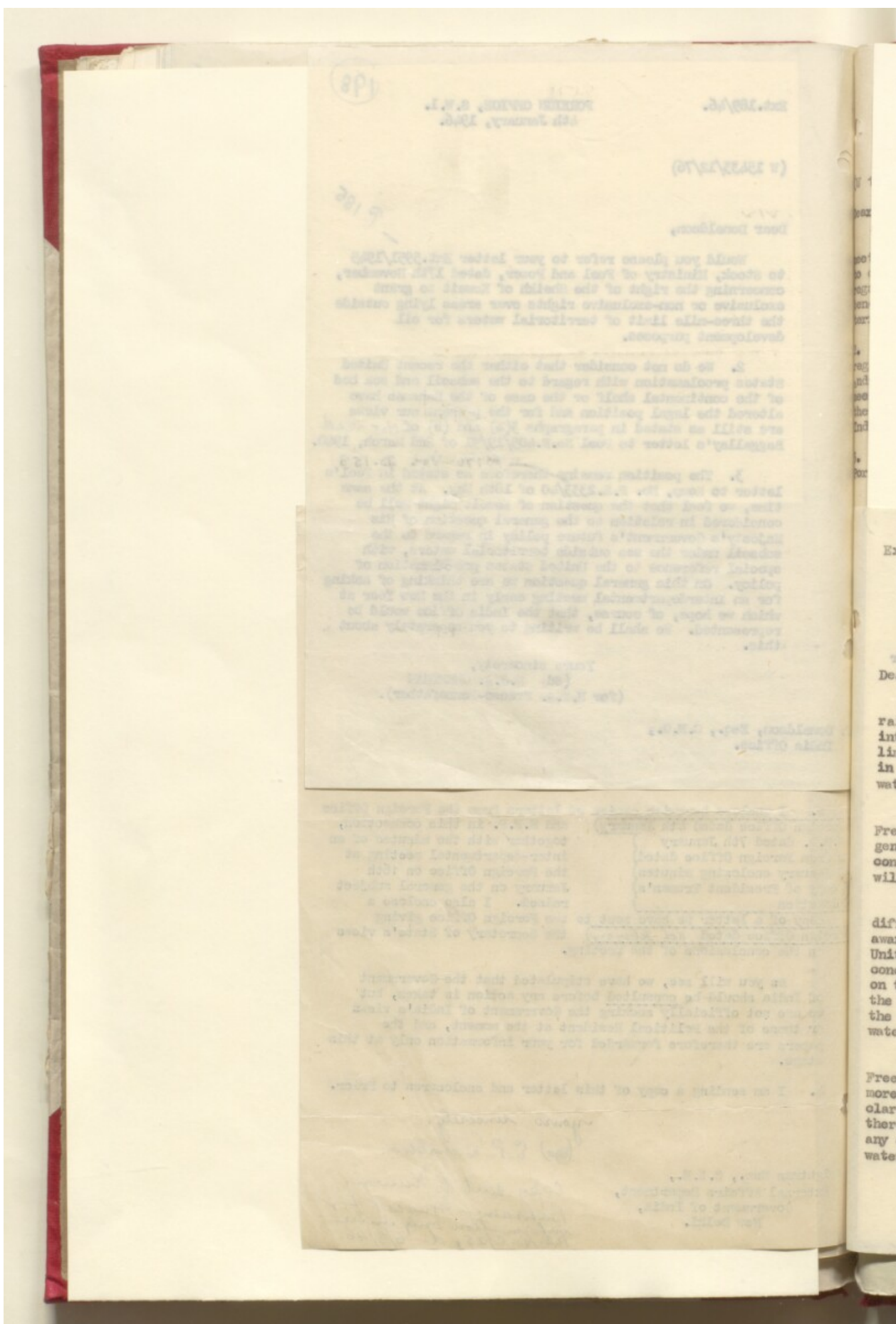
P. 178 Vol. D. 158

3. The position remains therefore as stated in Peel's letter to Kemp, No. P.E.2333/40 of 18th May. At the same time, we feel that the question of Kuwait might well be considered in relation to the general question of His Majesty's Government's future policy in regard to the subsoil under the sea outside territorial waters, with special reference to the United States proclamation of policy. On this general question we are thinking of asking for an interdepartmental meeting early in the New Year at which we hope, of course, that the India Office would be represented. We shall be writing to you separately about this.

Yours sincerely,  
(3d) H.J.A. GREENHAM  
(for H.W.A. Freese-Pennfather).

Donaldson, Esq., C.M.G.,  
India Office.







Ext. 226/46.

MINISTRY OF FUEL AND POWER,  
Petroleum Division,  
7, Millbank,

S.W.1.

7th January, 1946.

Dear Donaldson,

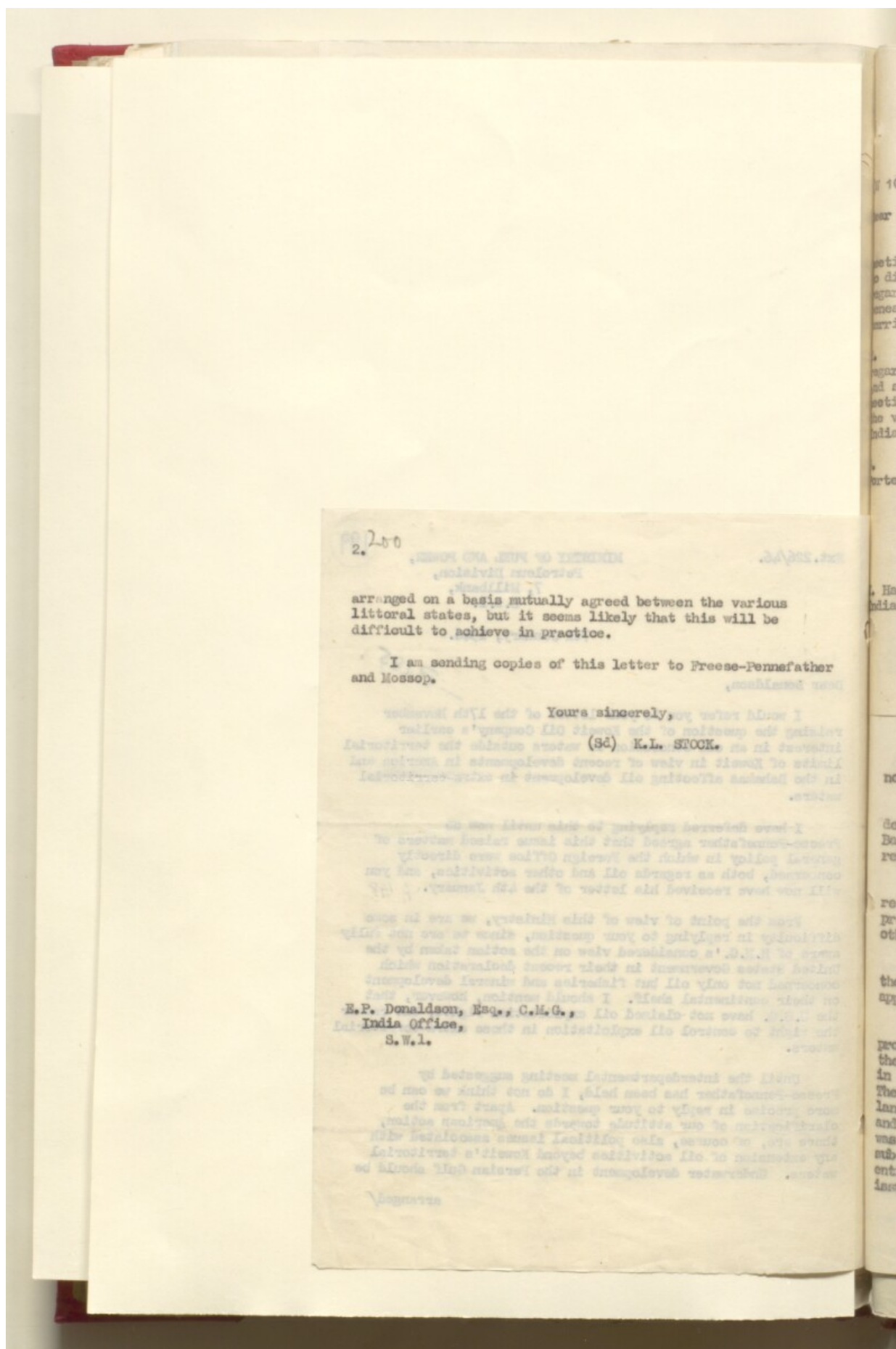
I would refer you to your letter of the 17th November raising the question of the Kuwait Oil Company's earlier interest in an oil concession in waters outside the territorial limits of Kuwait in view of recent developments in America and in the Bahamas affecting oil development in extra-territorial waters.

I have deferred replying to this until now as Freese-Pennefather agreed that this issue raised matters of general policy in which the Foreign Office were directly concerned, both as regards oil and other activities, and you will now have received his letter of the 4th January.

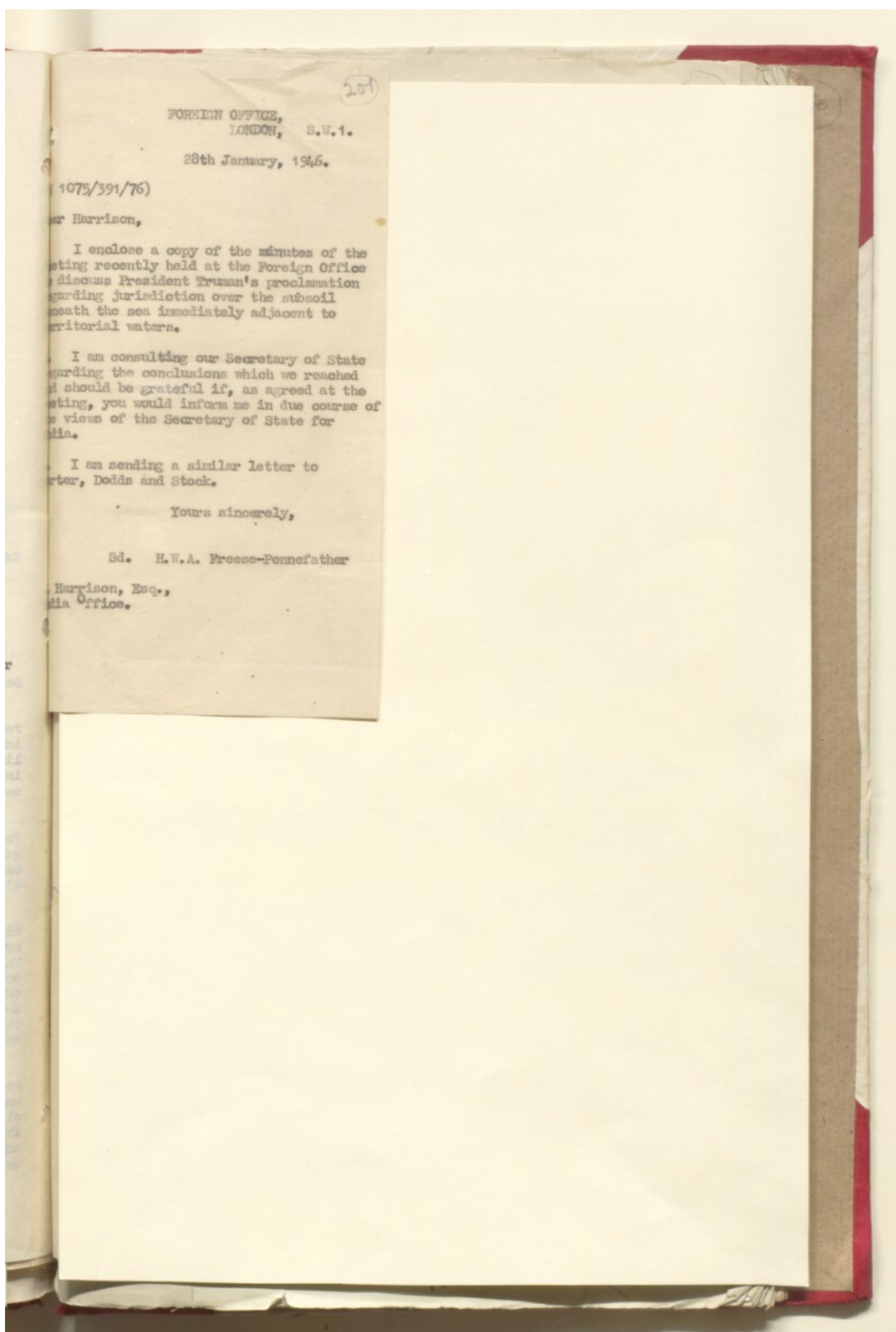
From the point of view of this Ministry, we are in some difficulty in replying to your question, since we are not fully aware of H.M.G.'s considered view on the action taken by the United States Government in their recent declaration which concerned not only oil but fisheries and mineral development on their continental shelf. I should mention, however, that the U.S.G. have not claimed oil exploitation rights, but rather the right to control oil exploitation in these extra-territorial waters.

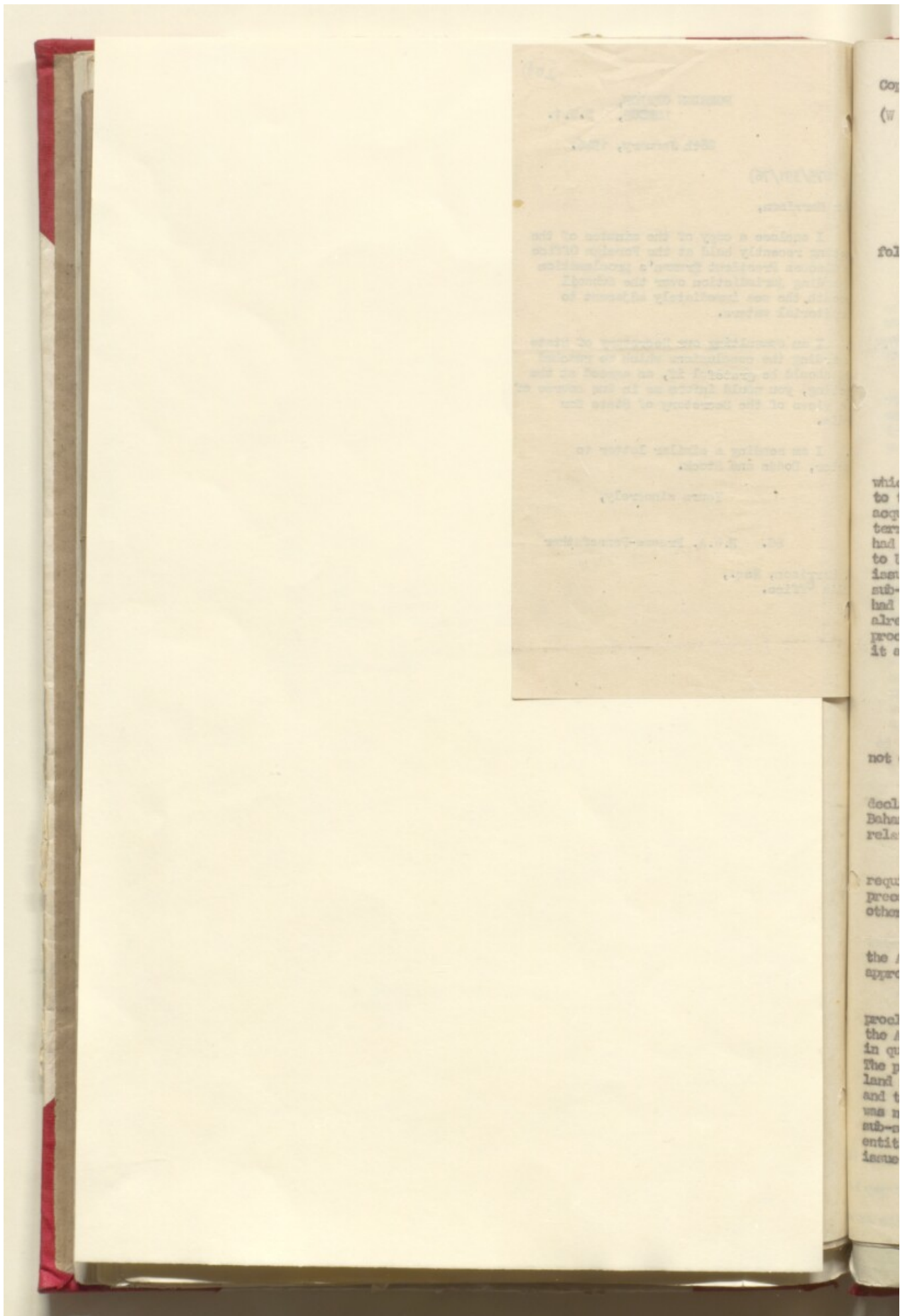
Until the interdepartmental meeting suggested by Freese-Pennefather has been held, I do not think we can be more precise in reply to your question. Apart from the clarification of our attitude towards the American action, there are, of course, also political issues associated with any extension of oil activities beyond Kuwait's territorial waters. Underwater development in the Persian Gulf should be

arranged/











Copy

(W 1075/391/76)

202

Jurisdiction over the Sub-soil beneath the Sea,  
Immediately adjacent to territorial waters

A meeting was held on 16th January in Mr. Beckett's room at which the following were present:

W.E. Beckett	Foreign Office (in Chair)
G.C.B. Dodds	Admiralty
G.W. Lepper	Ministry of Fuel and Power
K.L. Stock	Ministry of Fuel and Power
F.A.K. Harrison	India Office
L. Porter	Colonial Office
D.A. Greenhill	M.E. Secretariat
B.E.F. Gage	Foreign Office
T. Wilsley	Foreign Office
F.A. Vallat	Foreign Office
H.W.A. Freese-Pennefather	Foreign Office

Mr. Beckett opened the meeting by explaining the position under the agreement which we had contemplated making between ourselves and the United States with regard to the Bahamas, whereby each of the two parties would refrain from endeavouring to acquire by occupation the sub-soil beneath the sea immediately adjacent to the territorial waters of the other leaving the latter free to do so. The Americans had been thinking along the same lines with regard to the subsoil adjacent to United States territorial waters and on 28th September President Truman had issued a Proclamation (copy attached) extending American jurisdiction over the sub-soil adjacent to the whole length of their coast. The Americans, in fact, had done unilaterally what we were proposing to do by agreement, and their action had already had repercussions in Mexico and other countries, which regarded the proclamation as a useful precedent and, in the case of Mexico, had already used it as such. We should therefore consider what our line should be. Should we:

- (i) Complain of the American action, putting in reservations etc.
- (ii) Do nothing, or
- (iii) Take positive action ourselves with a view to establishing our position not only in the Bahamas but elsewhere as well, following the American example?

As regards (i), we would not be likely to alter what has now become the declared policy of the United States and indeed our policy with regard to the Bahamas was designed to achieve a similar result in the limited area to which it related.

As Kuwait and other countries, for whose interests we were responsible, would require a lead from us as to whether they should use the American action as a precedent, we clearly could not adopt the alternative of doing nothing, whatever other merits, if any, this course might have.

It remained, therefore, to see whether it would not suit our book to follow the American lead ourselves and make some public pronouncement indicating that we approved its general principles in international law.

A discussion followed on the precise implications of President Truman's proclamation and Mr. Beckett pointed out that it amounted in effect to a claim by the Americans of nothing less than full sovereignty over the sub-soil in the area in question - although the word "sovereignty" did not appear in the document itself. The proclamation referred to the Continental Shelf as being "an extension of the land mass of a coastal national and thus naturally appertinent to it". This, and the argumentation of the proclamation as a whole, indicated quite clearly that it was not intended merely as a claim to ownership of the natural resources of the sub-soil, but that the United States Government regarded themselves as thereby entitled to exercise full sovereign rights, as a result of which they could e.g. issue the licenses for exploitation, make arrangements for policing etc. in whatever

way/





way they chose, precisely as on land.

While this policy might be simple to carry out in the western hemisphere, where the geographical and political questions were reasonably straight forward, it was evident that if we adopted this policy ourselves there would be areas (notably the Persian Gulf) in which its implementation would be likely to give rise to certain complications. In the Persian Gulf, for instance, there was no limit to the "Continental Shelf" at all and the boundaries between the areas over which the various states would exercise sovereignty of this kind would have to be agreed between the states concerned in accordance with "equitable principles", and the present conflict of interests and territorial claims in that area was such that agreement in many cases would be difficult to reach. The American proclamation, however, specifically made provision for such cases being dealt with in this manner (in the penultimate sentence of the document) and we could only hope for the best as regards the success of its application as and when each case came up for consideration. Except in the important Persian Gulf area, the line of delimitation should not be difficult to define in most cases, and on balance, we should stand to gain much more than we should lose by expressing our agreement with the American policy and by adopting its principles ourselves as it might suit us best in each area concerned.

The meeting therefore agreed in the following:

(1) That it appears that the best policy for His Majesty's Government to adopt would be publicly to recognise that the principles contained in the United States proclamation with respect to natural resources of the sub-soil and sea bed of the continental Shelf are sound and of general application. It would be preferable to issue a public statement recognising these principles than for His Majesty's Government immediately to issue a similar proclamation applying these principles legislatively to all "British" territory since the drafting of such a general proclamation would at once involve questions as to whether it should be extended to protected states and other dependencies whose position is somewhat complicated.

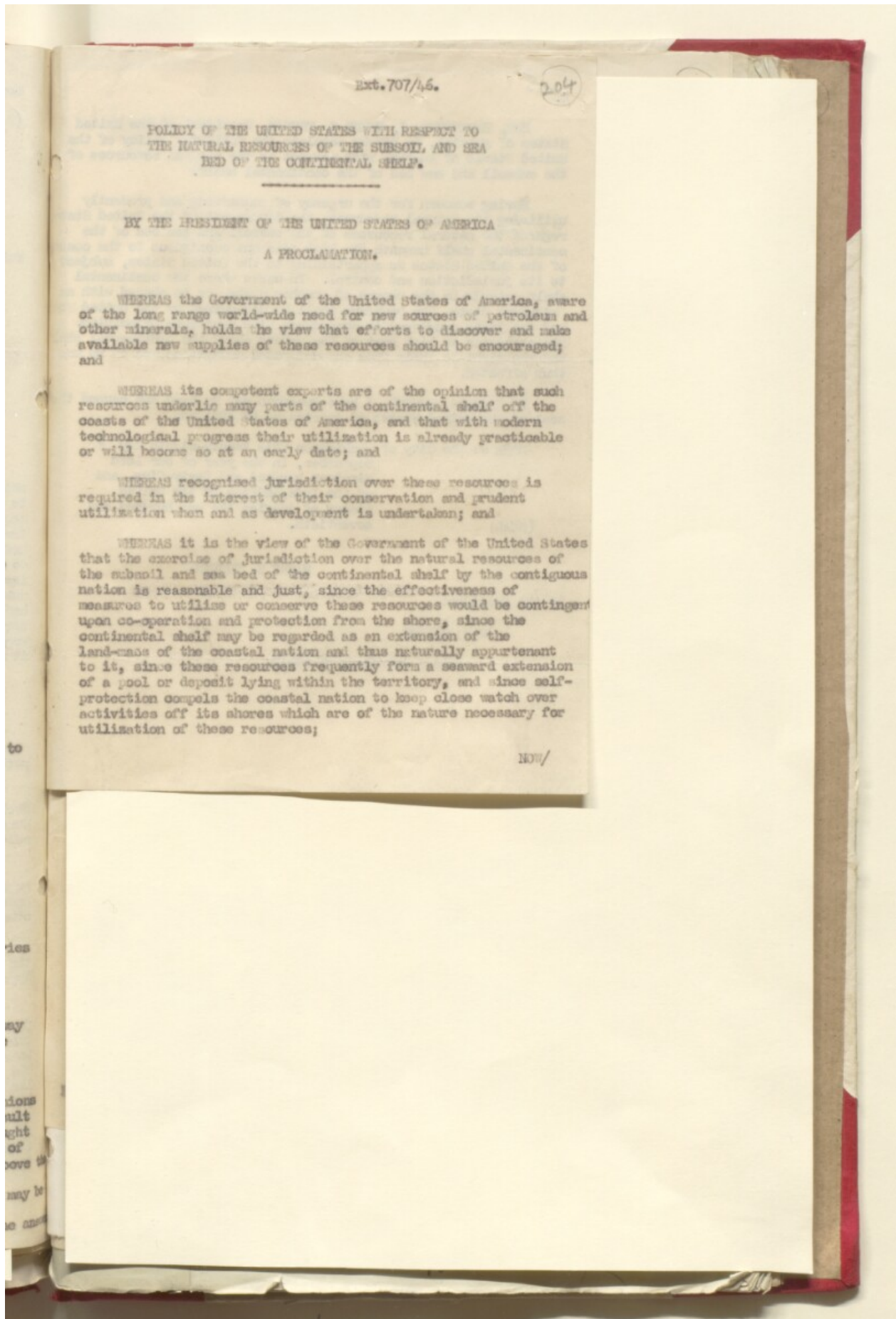
(2) That if (1) is approved and acted upon, the Governor of the Bahamas and the Governor of Jamaica might make proclamations applying these principles to the sea bed adjoining the Bahamas and Jamaica respectively. These two cases seem to be clear since the geographical situation is exactly similar to that off the coast of the United States and they are moreover in the same general geographical area.

(3) That an investigation should be begun immediately as to the application of these principles in other parts of the world. In particular the case of the Persian Gulf seems to demand particularly early and detailed consideration. The Persian Gulf is so shallow that the whole of it might be considered to be a continental shelf within the meaning of the United States proclamation and therefore as an area where the sharing of the shelf between the Adjacent states should be determined on equitable principles. In this connection the claims to jurisdiction over the bed of the sea over pearl fisheries might be taken into consideration.

(4) Particular attention is directed to the last sentence of the United States proclamation that the character as high seas of the water above the continental shelf and their right to free and unimpeded navigation are in no way affected. In this connection possibly submarine cables which merely touch the bottom might be considered rather to be in the water than on the surface.

(5) Supposing that the conclusions above are adopted, it would seem desirable that before any action is taken the Governments of India and the Dominions should be informed or consulted and no doubt the Foreign Office would also consult the Embassy at Washington and indeed any other of its missions which it is thought desirable. Further, it may be argued that since the free and unimpeded right of navigation is recognised and is already in existence, any constructions made above the sea bed for the purposes of exploitation of minerals below it must be such as not to impede navigation. The application of this point in the Persian Gulf may be somewhat important.

(6) When the views of the Departments on the above have been obtained, the matter to the application of the Kuwait Oil Company can be considered and agreed.







2205

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, do hereby proclaim the following policy of the United States of America with respect to the natural resources of the subsoil and sea bed of the continental shelf.

Having concern for the urgency of conserving and prudently utilizing its natural resources, the Government of the United States regards the natural resources of the subsoil and sea bed of the continental shelf beneath the high seas but contiguous to the coast of the United States as appertaining to the United States, subject to its jurisdiction and control. In cases where the continental shelf extends to the shores of another State, or is shared with an adjacent State, the boundary shall be determined by the United States and the State concerned in accordance with equitable principles. The character as high seas of the waters above the continental shelf and the right to their free and unimpeded navigation are in no way thus affected.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this twenty-eighth day of September, in the year of our Lord Nineteen hundred and forty-five, and of the Independence of the United States of America the one hundred and seventieth.

(SEAL)

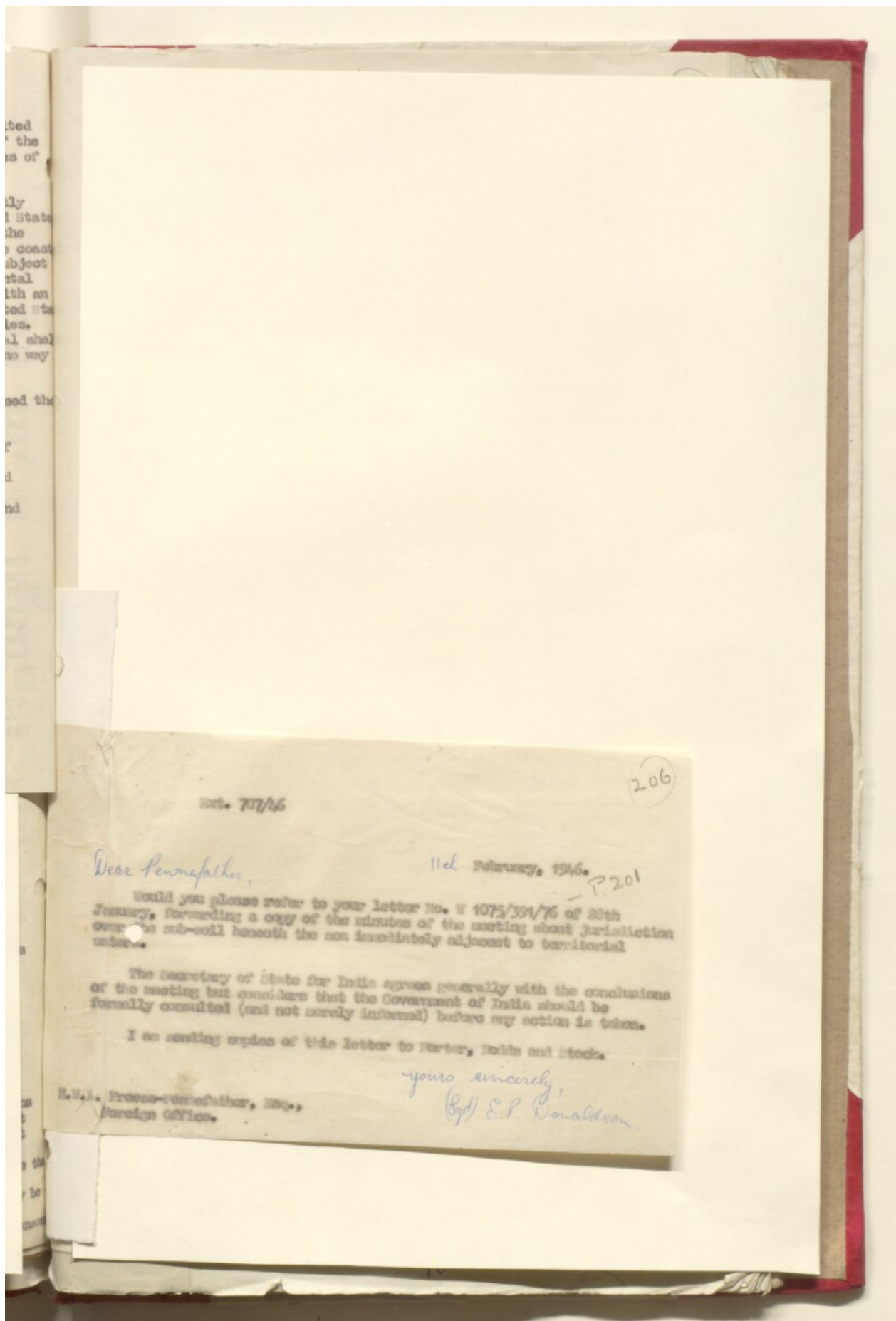
HARRY S. TRUMAN

By the President:

DEAN ACHESON

Acting Secretary of State.





Int. 731/46

206

Dear Pennafather,

11th February, 1946.

P.201

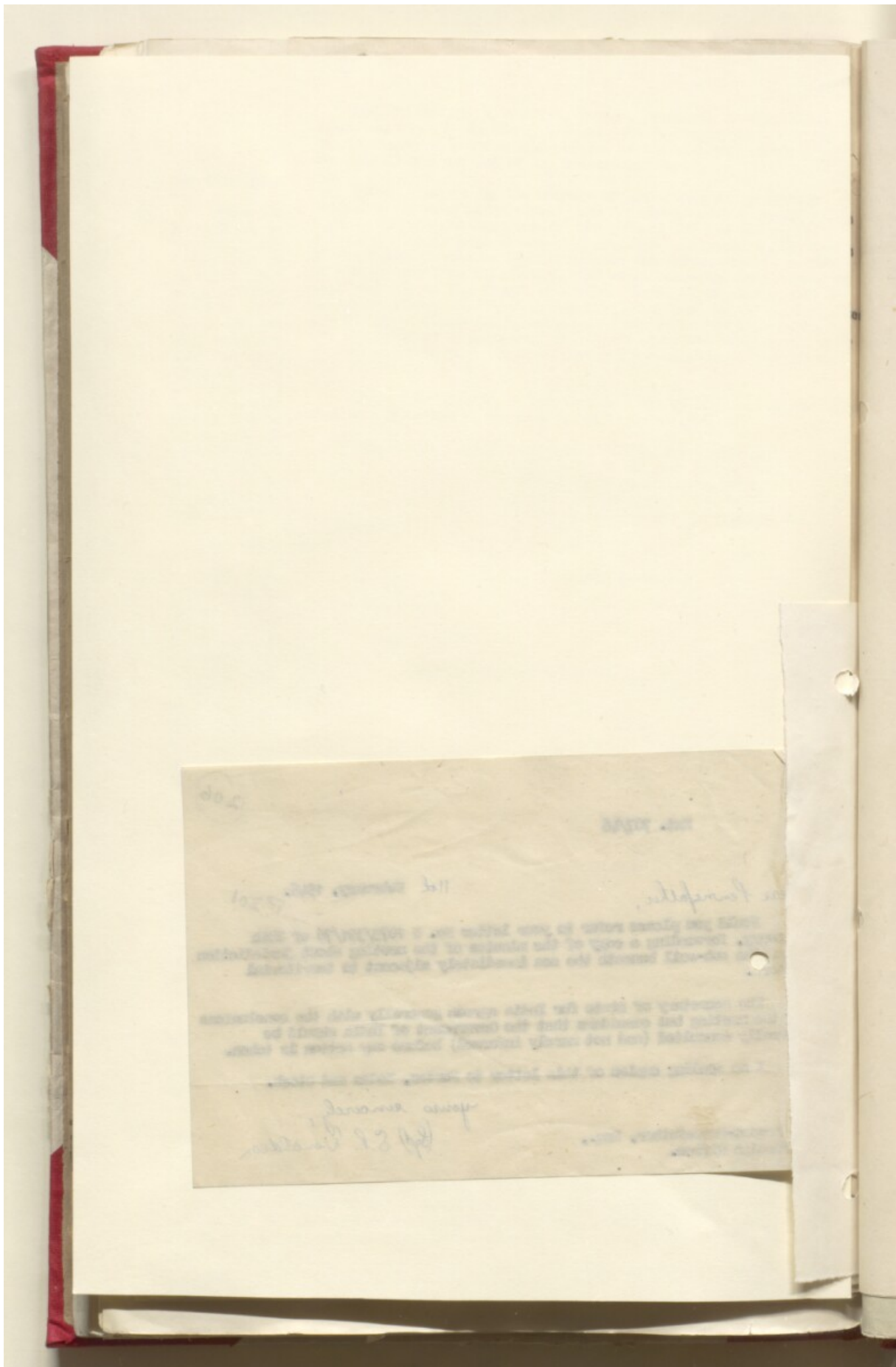
Would you please refer to your letter No. W 1075/391/76 of 28th January, forwarding a copy of the minutes of the meeting about jurisdiction over the sub-soil beneath the sea immediately adjacent to territorial waters.

The Secretary of State for India agrees generally with the conclusions of the meeting but considers that the Government of India should be formally consulted (and not merely informed) before any action is taken.

I am sending copies of this letter to Porter, Delhi and Stock.

E.P. Ronaldson, Esq.,  
Foreign Office.

yours sincerely,  
(Sgd) E.P. Ronaldson





86/13 & 86/1.

Telegram S(Agency).

From Political Agent, Kuwait.

To Political Resident, on Nearchus.

No. 138.

Dated 12th received 13th March 1946.

*Purser*  
HAMILTON and LYRON both Vice Presidents of Gulf Oil Company and directors of Kuwait Oil Company expected here within next few days. Holmes arrives ? Thursday March 14th.

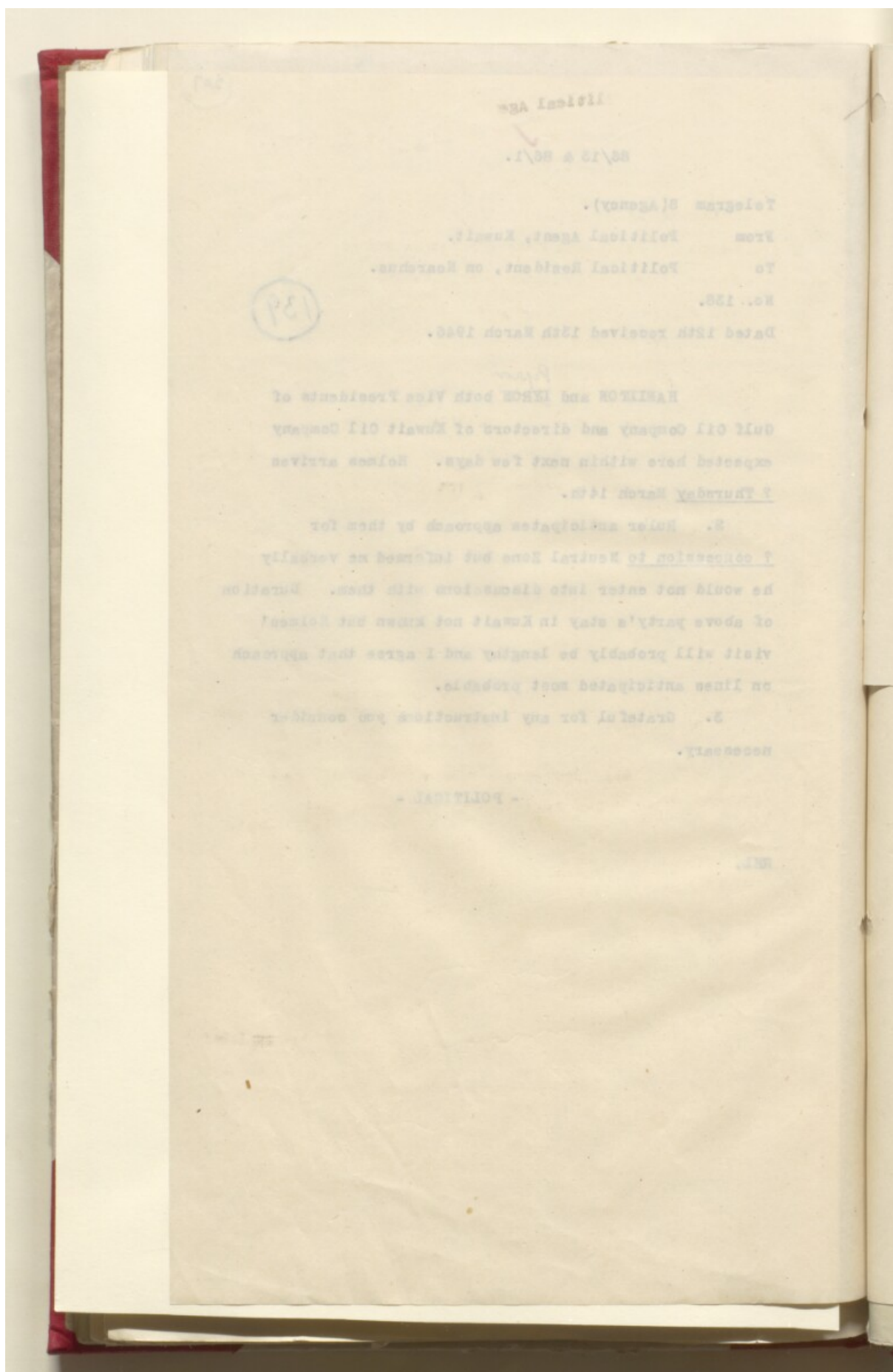
2. Ruler anticipates approach by them for ? concession to Neutral Zone but informed me verbally he would not enter into discussions with them. Duration of above party's stay in Kuwait not known but Holmes' visit will probably be lengthy and I agree that approach on lines anticipated most probable.

3. Grateful for any instructions you consider necessary.

- POLITICAL -

RHL.







208

86/13 & 86/1.

Telegram S(Agency).

From Political Resident, at Bahrain.

To Political Agent, Kuwait.

No. T/111.

Dated 15th March 1946.

S 139

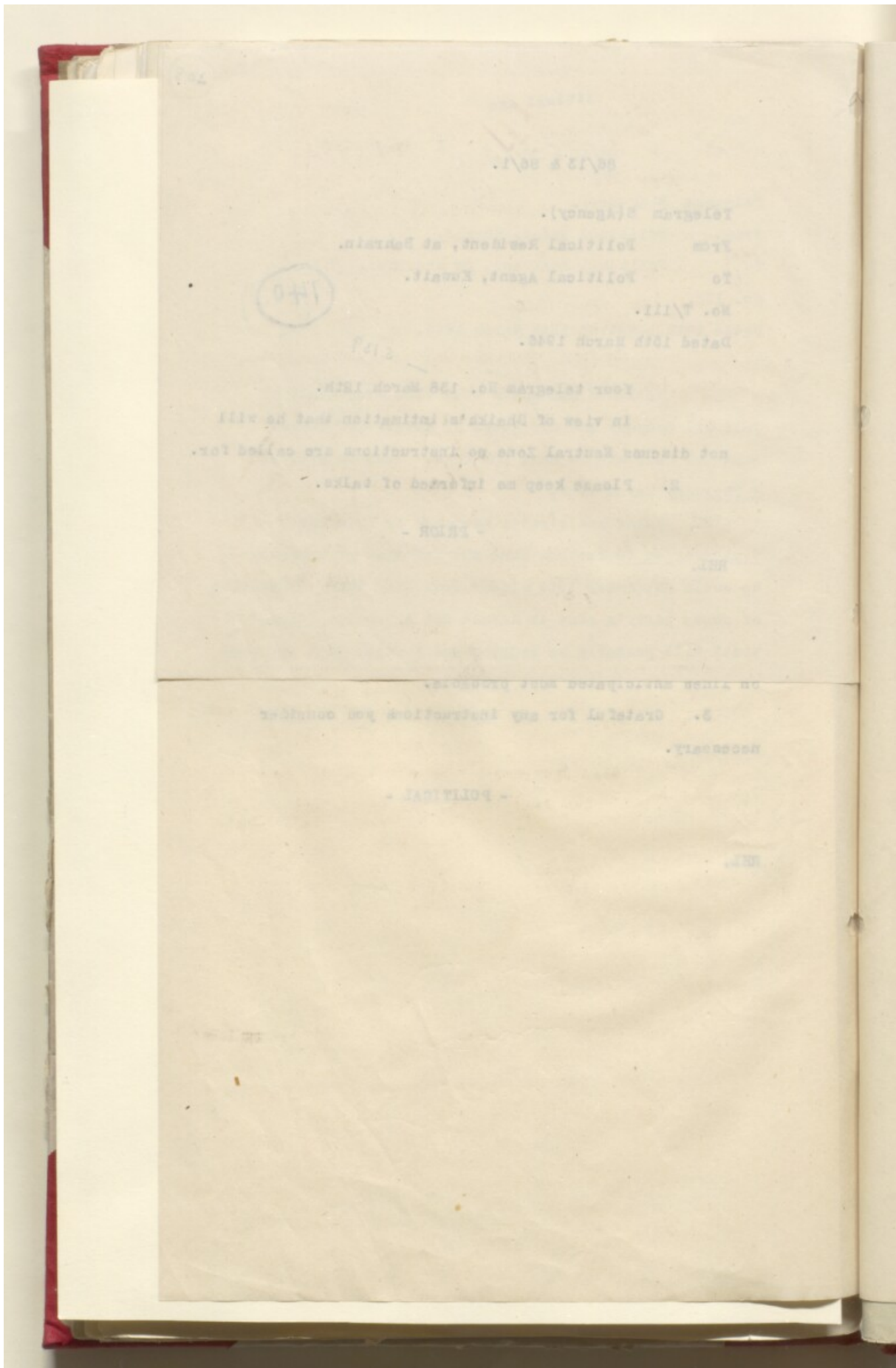
Your telegram No. 138 March 12th.

In view of Shaikh's intimation that he will  
not discuss Neutral Zone no instructions are called for.

2. Please keep me informed of talks.

- PRIOR -

RHL.







86/13 & 86/1.

CONFIDENTIAL.

Telegram S3.

From Political Resident, at Bahrain.

To India Office, London.

No. T/112.

Dated 15th March 1946.

Holmes reported due Kuwait March 14th.  
Hamilton and Lyron Vice Presidents of Gulf Oil Company  
and Directors of Kuwait Oil Company expected to arrive  
within a few days.

2. Shaikh of Kuwait anticipates they will  
approach him for Neutral Zone Concession. He has  
informed Political Agent that he will not repeat not  
discuss subject with them.

- PRIOR -

No. C/39.

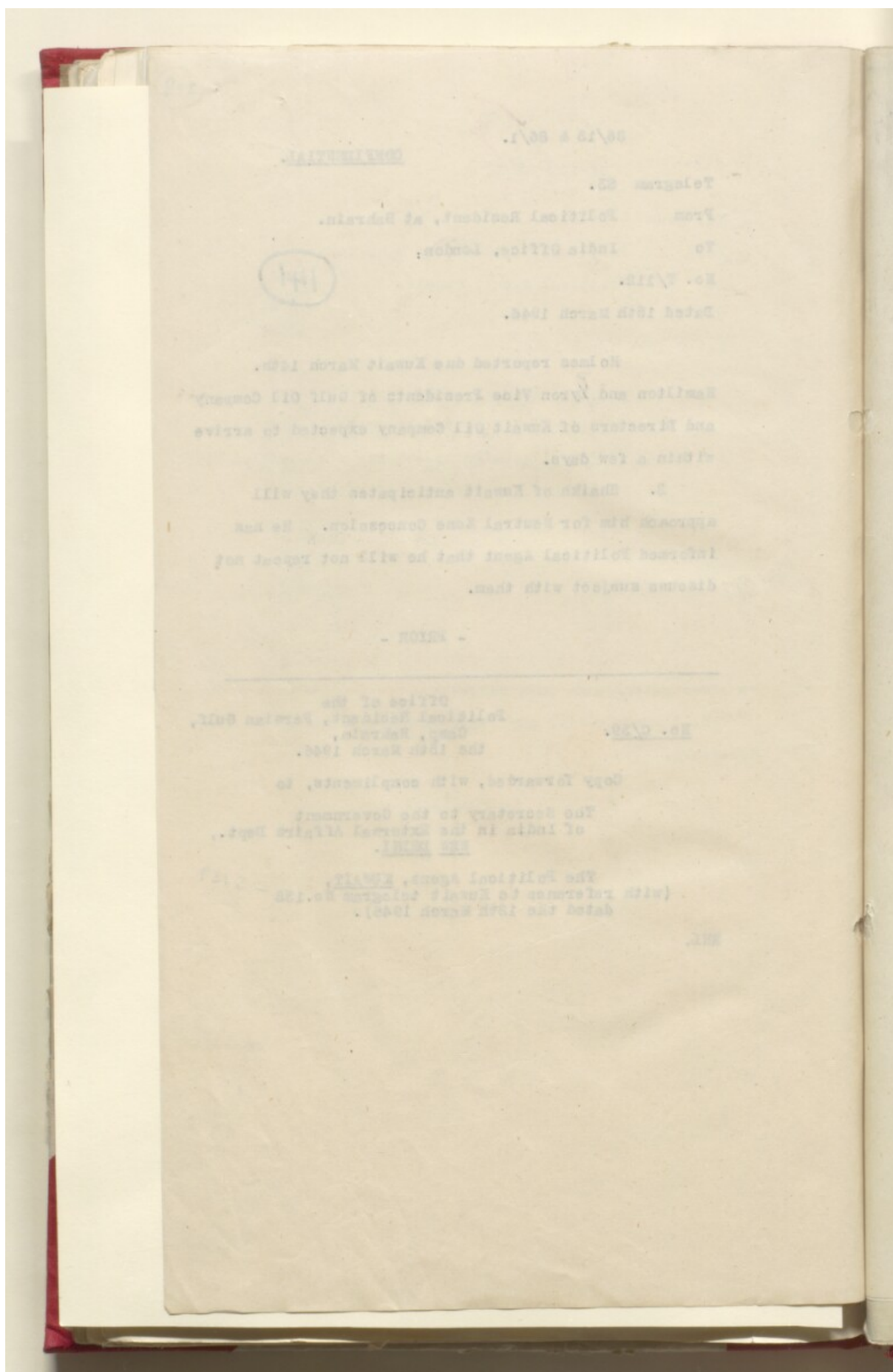
Office of the  
Political Resident, Persian Gulf,  
Camp, Bahrain,  
the 15th March 1946.

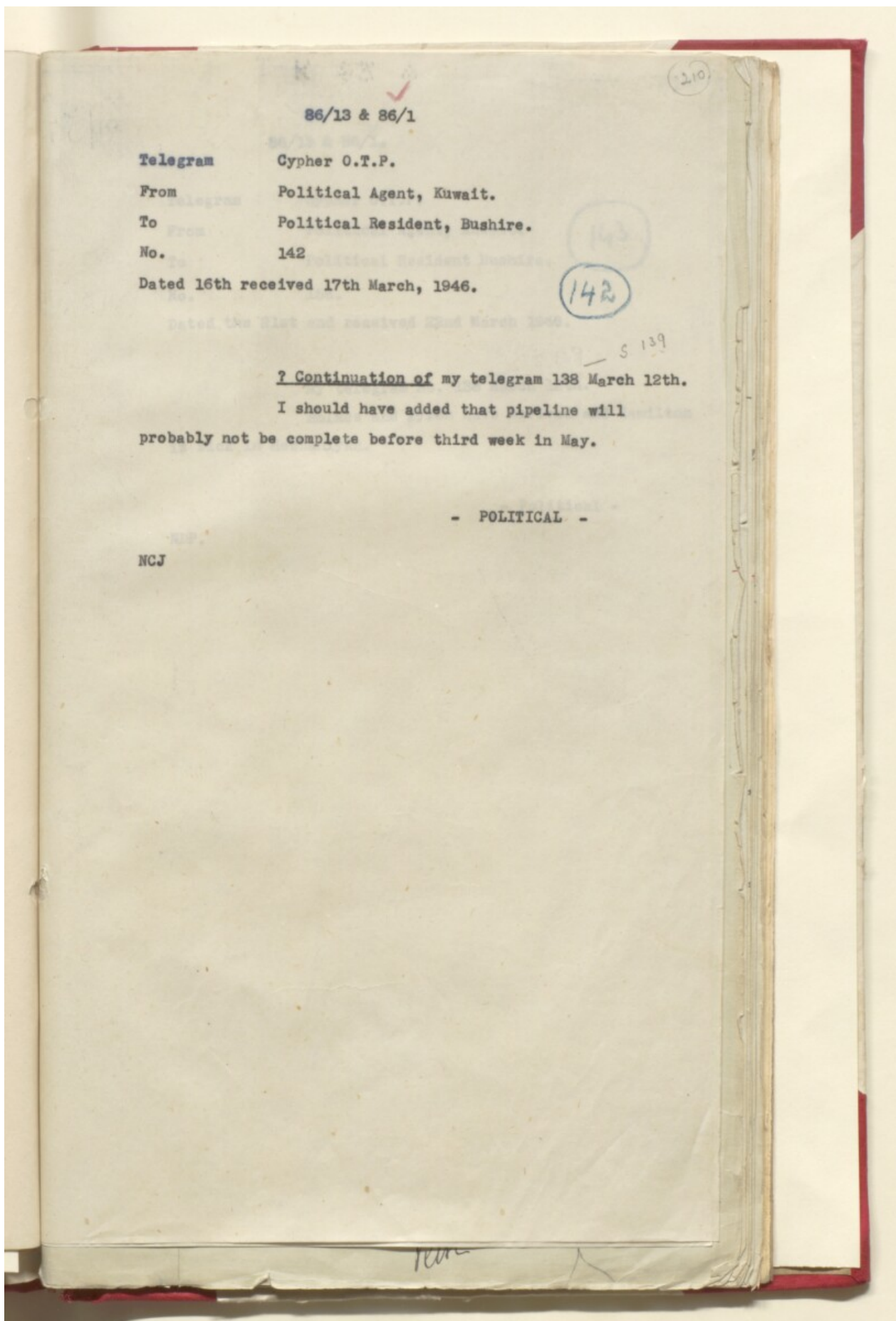
Copy forwarded, with compliments, to

The Secretary to the Government  
of India in the External Affairs Dept.,  
NEW DELHI.

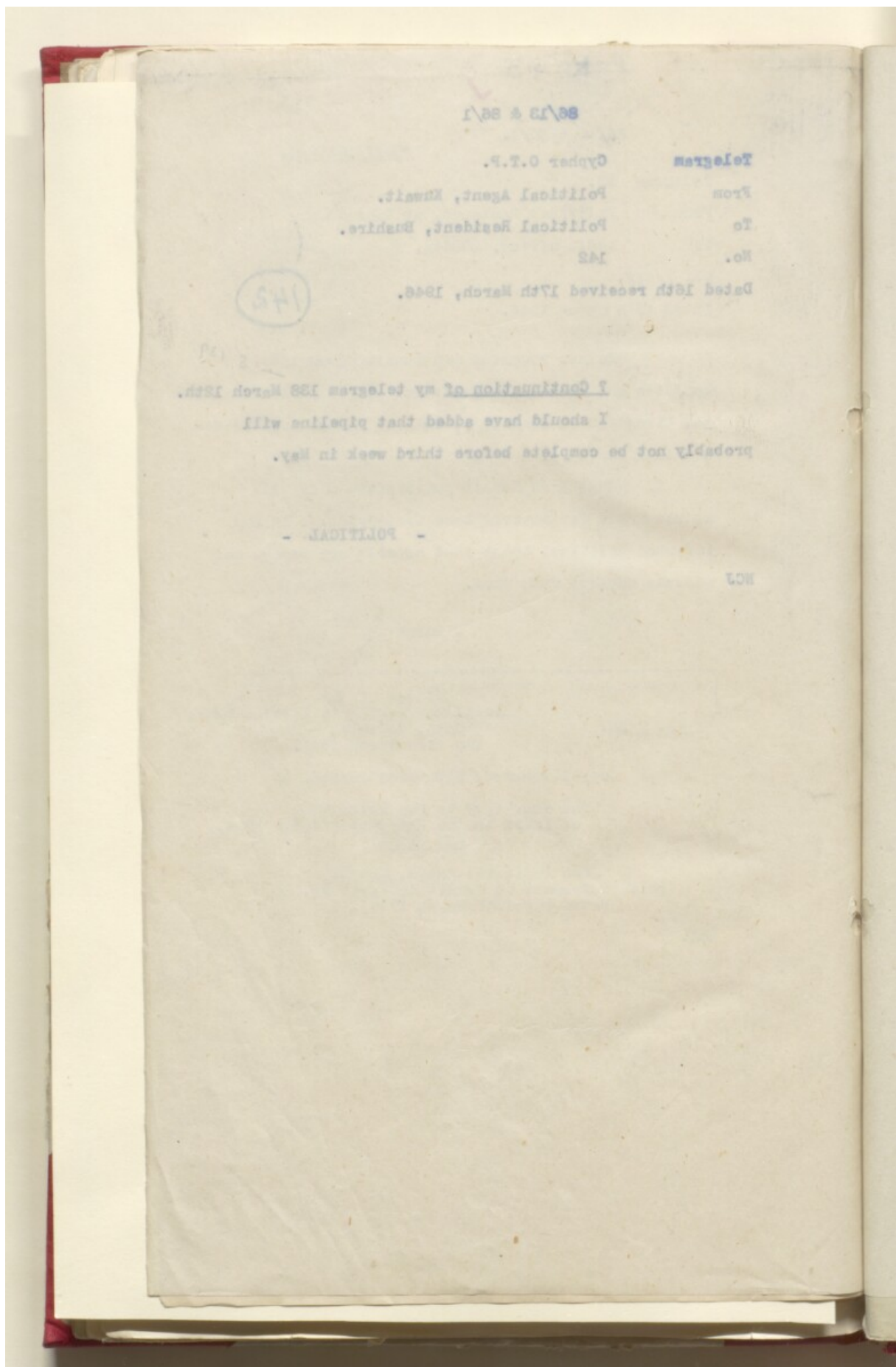
The Political Agent, KUWAIT,  
(with reference to Kuwait telegram No.138 - S.139  
dated the 12th March 1946).

RHL.











86/13 & 86/1.

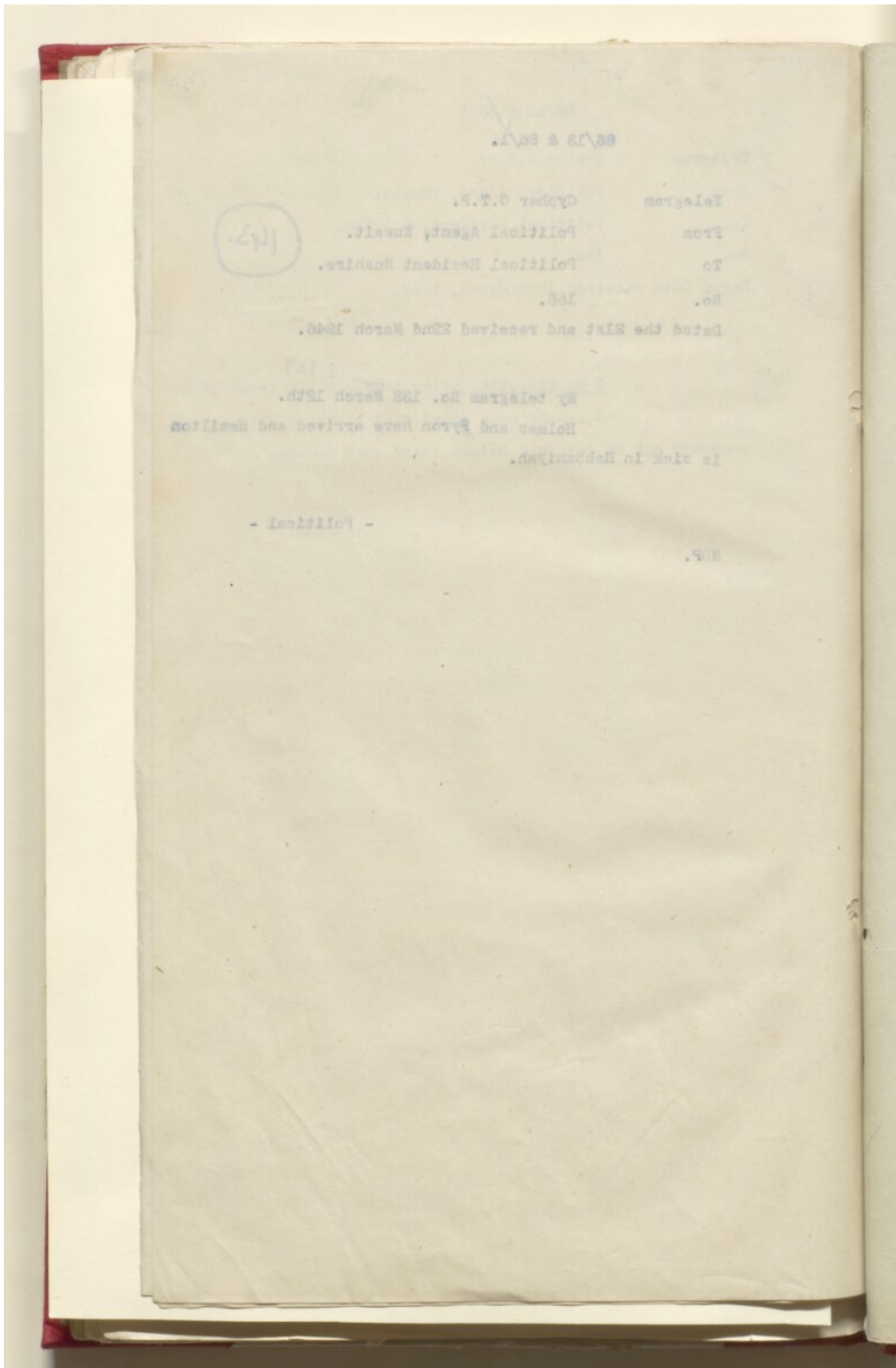
Telegram      Cypher O.T.P.  
From          Political Agent, Kuwait.  
To             Political Resident Bushire.  
No.            158.  
Dated the 21st and received 22nd March 1946.

My telegram No. 138 March 12th.

Holmes and Pyron have arrived and Hamilton  
is sick in Hebbaniyah.

- Political -

NDP.







86/1 - xii . (212)

1 - 1. I.O. P.L. No. Ext.  $\frac{4624}{447}/41$  d. 9/8/41.  
 File?  $\frac{815}{10}$ .  
*ns* *11/5/10*  
*h* 16. 10/11

6 - 2. I.O. P.L. No. Ext. 5020 d. 30/8/41.  
 8 - 3. 5187 d.             
 11 - 4. I.O. X.L. No. Ext. 6522/41 d. 3/11/41.  
 Rep. 2+3 - File?  
 Rep. 4 - No payment has been made  
 locally - D.F.A.  $\frac{827}{11}$   
*PK*  $\frac{227}{11}$   
*Ally*  
 29/11

12 - 5. Issued X.L. No. C/599 d. 29/11/41 to S/S for India London,  
 and P.A., Kuwait.  $\frac{1629}{11}$

13 - 6. Kuwait d.o. C/95-5/1 d. 30/1/42.  
P.R. Submitted.  
Ref. S.S. No reply has yet been received. May send  
 reminder?  $\frac{21}{3}$   
 S6. Discussed - 1 me draft.  
 S5. No action.  
*Ally*  
 2/3

15 - 7. Issued I.O. No. C/41 d. 5.3.42 to Mrs. Peel.  
           P.L. No C/42            to Mrs. Caroe  
 & Col. Prior.  
*RM*



India Office P.L. No. ExT. 7662 d. 6.12.41

[S.8 transferred to  
file 86/28.]

8-16.

Kuwait P.L. No. 555-5/7 d. 1/6/42.

9-16.

Copy of enclosure to J.O. and S. of S.?

12/5/6.

PK

Alley  
16/6

Issued endt. No. 586-S, d. 16/6/42, to

J.O. & S. of S.

16/6.

Kuwait P.L. No. 593-5/7 d. 12/6/42.

10-19

Copy of enclosure to J.O. & S. of S.  
in continuation of endorsement at p. 17?

23/7.

PK

Alley  
3/7

Issued endt. No. 700-S, d. 4-7-42, to

J.O. & S. of S.

4/7.

Tenth Army tel. No. QM.197 d. 11.7.42.

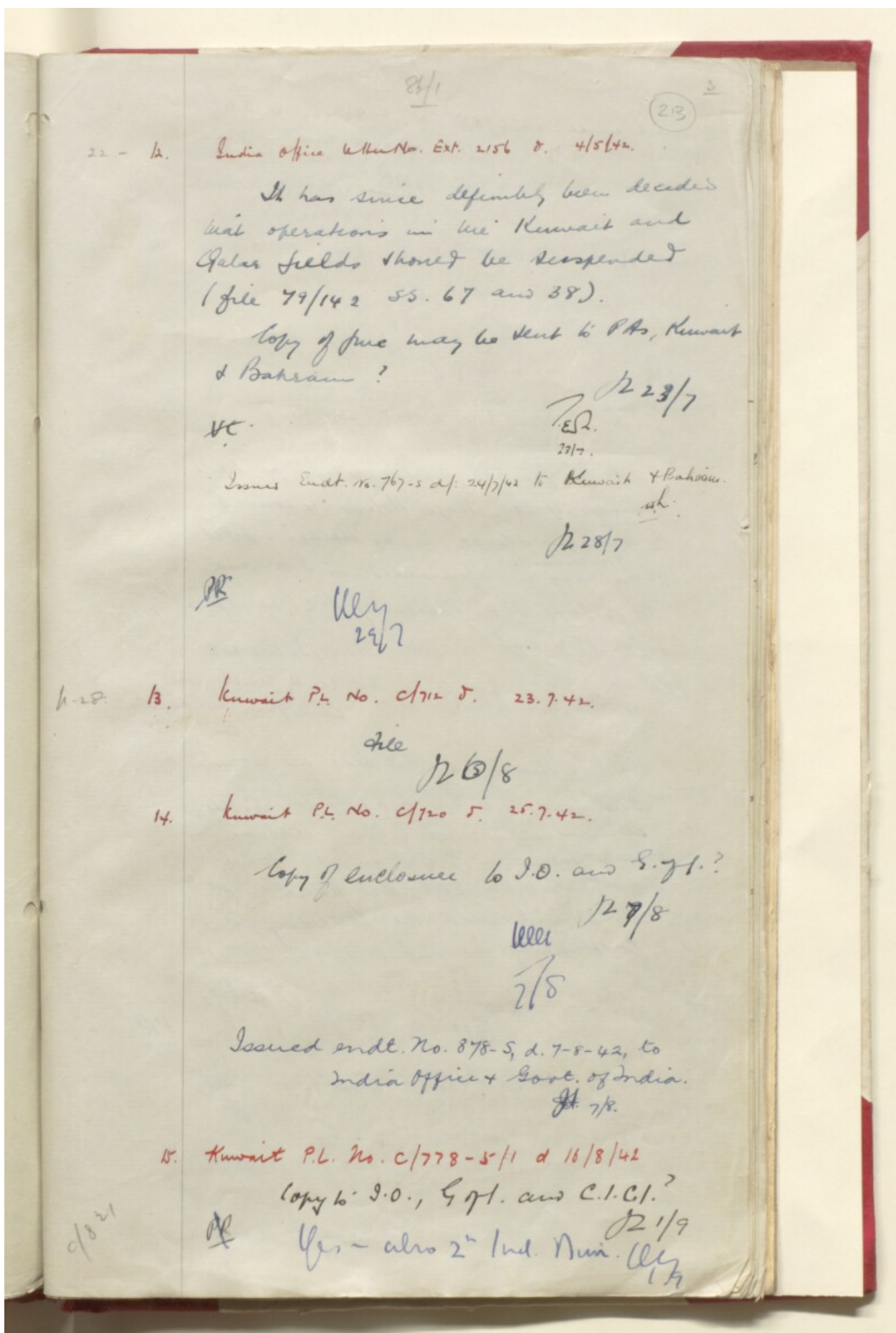
12-21

P. note tel below to Kuwait

13/7

Issued tel. 1362, d. 13-7-42, to Kuwait.

13/7.







4  
86/1  
Inund endt. No. C/821, d. 2-9-42, to S.O.,  
S. 79, C. 151. & ind Indian Dir.  
M.S. 2/9

Govt. of India Endt. No. 6147-M42 d. 11-9-42. 16.  
File? <sup>When</sup> 10/10.  
J2 10/10

PR

R. 10+

Kuwait P.L. No. C/1110 dated 23/12/42. 17.

As the Sheikh's representative on the  
Company's Board Major Holmes is correct  
in tendering advice in the Sheikh's interest.  
General  
Copy may be forwarded to S.O. and  
G. of S. W. r. L. Residency X. L. No. 193-5  
d. 19-4-40.  
J2 12-1-43  
Vol D-158  
A. 164

PR

Yes R 15/1 but see if such more  
came from the Company?

Not through us. All that we received  
was from S.O. in S. 67 of Vol. 5. 114  
with linked case below. Action  
was taken in S. 68 and 73 ibid  
and we know from para. 6 of  
S. 38 ibid that the Company are  
continuing payment of rental etc.

as before.

R. 6/2

J2 6/2.

PR

Home P.L. No. 123-5 dated 7/2/43 to 10. & 6/10  
4/10



- 86/1
18. Kuwait tel. No. 233 dated 12/4/43. (214) 3  
The visit may be connected with Hedeada's recent enquiry regarding sulphur deposits (file 86/28 S 51-2)  
May reply "no objection?"  
J2 14/4
- PR J2 14/4
19. Issues tel. No. 859, dated 14/4/43 to Kuwait.
20. Kuwait tel. No. 245 dt. 18.4.43.  
File? J2 20/4
- PR J2 21/4
21. Kuwait ltr. No. 283 d. 5/5/43.
22. Khawamskahr tel. No. 151 dated 26.7.43.  
You wished to record a note on this.  
J2 29/7
- PR
- Mr. Scott, formerly Manager of the Kuwait Oil Company, came to see me in Abadan by appointment yesterday. He told me that he had received instructions to make plans for a rapid expansion of the operations of the Kuwait Oil Company, and that there were two points upon which an urgent decision was required and upon which he had been instructed to consult me.
2. The first point was the question of a site for the tanker anchorage. We discussed three sites, one in the open sea off the coast near Magwa, the second at Ras al Ardh and the third at the easternmost end of Kuwait bay. The disadvantages of the first were obvious, and that at Ras al Ardh almost equally so, where the deep water close in could only provide a comparatively narrow berth. I said that subject to expert nautical opinion the site at the





6

easternmost end of the harbour appeared the best, and the soundings on the chart he showed me showed that it was practicable and this apparently was the site the technical advisers favoured. I enquired whether an anchorage up the Khor Abdullah had been considered and he replied that it had not, though I do not think that he was speaking the truth. He mentioned that this would lead to a much longer pipe-line, whereas the Ras al Ardh anchorage and that to the easternmost side of the bay were roughly an equal distance from the oil centres.

3. He also told me in connection with these proposals that he had instructions to plan for a water pipe-line which would deliver two million gallons of fresh water a day to Kuwait. He thought that this amount was not excessive as it was roughly that now employed at Masjid-i-Sulaiman, but he considered that the intention probably was to give a portion, say a quarter, to the town, and a quarter for the possibility of sulphur production, and also to make a liberal allowance for possible expansion.

4. I advised Mr. Scott to be very careful in any approach to the Iraqis to make it quite clear that they were merely considering this as a possible alternative to utilising a tanker service from the Shatt-al-Arab. If the Iraqis once gained the impression that the Kuwait Oil Company were in any way bound to obtain this water from them they would be certain to take up a most intransigent attitude. The amount of water involved is one that would require a 10,000 tons tanker a day to move it.

5. I drew attention to the possibility of acquiring the existing water line from the Shatt-al-Arab to Shaiba, and suggested it might be advantageous to make use of their American components in these negotiations as the Iraqis would be more reluctant

June  
26/27





86/1  
215  
7

to offend them after the war. Mr. Scott said that he would bear all my points carefully in mind and represent them to his principals. I urged him to see that any communications he made were sent in cypher, and he undertook to do so.

6. The Secretary of State for India and the Government of India should be warned briefly of what the Kuwait Oil Company have in mind as in draft below, copy to Kuwait

30/1/43.

23. Issued tel. No. 1661 d. 31/7/43 to I.O. (R) G.O.S. to Baghdad, Shro and Kuwait.  
— Endst. No. 708-S —

India 86/27. 31/8. 24. ~~Govt. of India Memo No. 42(4)-W/43 dt. 17.8.43.~~ RML

24. India Office PL. No. EXT. 4664-4465/43 dt. 28.8.43.

File?

15. 15/11/43

pa. b

yes. 14. 19/11

25. Issued tel. No. 352 dt. 10/2/44 to S/S. for India.
26. Kuwait tel. No. 109 dt. 13/2/44.
27. India Office tel. No. 4041 dt. 17/2/44.
28. Issued tel. No. 411 dt. 19/2/44 to India Office, G/S.
29. India Office tel. No. 3707 dt. 14/2/44.
30. India Office tel. No. 3708 dt. 14/2/44.
31. Kuwait tel. No. 124 dt. 16/2/44.
32. Govt. of India tel. No. 1923 dt. 19/2/44.
33. Issued tel. No. 425 dt. 22/2/44 to Kuwait.
34. Govt. of India tel. No. 2039 dt. 22/2/44.
35. ——— tel. No. 2040 dt. 23/2/44.
36. India Office tel. No. 4662 dt. 25/2/44.
37. Kuwait tel. No. 154 dt. 26/2/44.
38. Govt. of India tel. No. 2410 dt. 2/3/44.
39. ~~Bahrain~~ Issued tel. No. 539 dt. 4/3/44. to Bahrain.
40. India Office X.L. No. Ext. 320/44 dt. 27/1/44.  
Issued endst. No. 207-S dt. 6/3/44 to Kuwait, Bahrain.



86/1

India Office PL. No. Ext. 310/44 dt. 20/1/44. 41.

Issued endst. No. 208-S dt. 6/3/44 to Kuwait +

Baghdad Savings No. 2 dt. 16/2/44. 42.

Issued endst. No. 209-S dt. 6/3/44 to L of I, Kuwait

Bahrain tel No 235 dt. 8/3/44 43.

INDIA OFFICE TEL. NO. 5822 DATED 9/3/44 43A.

Issued tel No 604 dt. 10/3/44 to G of India. 44.

Kuwait tel No 199 dt. 12/3/44. 45.

Issued tel No 648 dt. 13/3/44 to India Office and Govt of India. 46.

Issued endorsement No 244-S to Kuwait & Bahrain

India Office Comp. Slip Ext. 623/44 dt. 15/2/44. 47.

" " Ext. 711/44 dt. 24/2/44 48.

Govt. of India tel. No. 2981 dt. 17/3/44. 49.

Kuwait tel. No. 228 dt. 22/3/44. 50.

Issued tel. No. 750 dt. 23/3/44 to India Office 51.

India Office tel. No. 7073 dt. 26/3/44. 52.

Kuwait ltr. No. 254 dated 1/4/44. 53.

May await repetitions?

Q 5/4 5/4/44 PR

Kuwait tel. No. 270 dt. 6/4/44. 54.

Copy of S.53 to I.O. & G.I. by Express air mail?

Q 9/4 9/4/44 P.N.

Issued endst. No. C/6 d. 9/4/44 to I.O. & G.I.

Kuwait do. No. C/295 dated 19/4/44. 55.

Since Art 18 A of the Commercial Agreement provides for a reference to the Political authorities in the event of a deadlock or dispute which cannot be settled may agree with P's views a final pnc to I.O. and G.I.?

EX. 11/5/44 P.R.





86/1

(216) 9

I remember that we stood aside during the earlier negotiations in Iraqi gallows time, but do not remember exactly why. Do you remember how it came to happen?

P

W.S.

5/5

I am afraid I don't. I rather think it was because both parties kept the P.A. fully informed, the telegrams to London were transmitted through the P.A. and the I.O. (Vol D-158 ff 150-1), and no hitch occurred. You were in Kuwait at the time notes under docket 57 ibid.

26/5

PR so far as I remember the actual haggling, once it was decided who should settle the concession has always been left to the companies themselves. In the case of Qatar, I left it to the members of the A.I.C. What happens in the case of the Trucial Coast concessions - Mercat?

P

The same.

29/5

PR

Issue dealt.

P

11/5

56. Issues D.O. No. 409-S, d. 12/5/44 to Mr. Peel  
— P.O. No. 410-S — to Sir Olaf Curzon & Mr. Pelly.  
RMR





10/ <sup>86/1</sup> Kuwait Tel. No. 391 d. 16/5/44. 57.

Pl. see S. 11 and p/p. 17, 29 + 35.

May telegraph "No objection"?

11/5/5.

21/5/5

11/5/5

Pl. more draft.

21/5/5

Issued Tel. No. 1216 d. 18-5-44 to P.A. Kuwait.

58

9.0. Tel. No. 15971, d. 18/7/44

59

(1) May telegraph P.A. Kuwait instructing him as to the nature of the communication to be made to Sheikh, and

(2) reply to I.O. confirming presumption in para 3.

If you approve, drafts will be submitted.

20/7

Q. 20/7

PR

As per I and II.

Q. 20/7

20/7

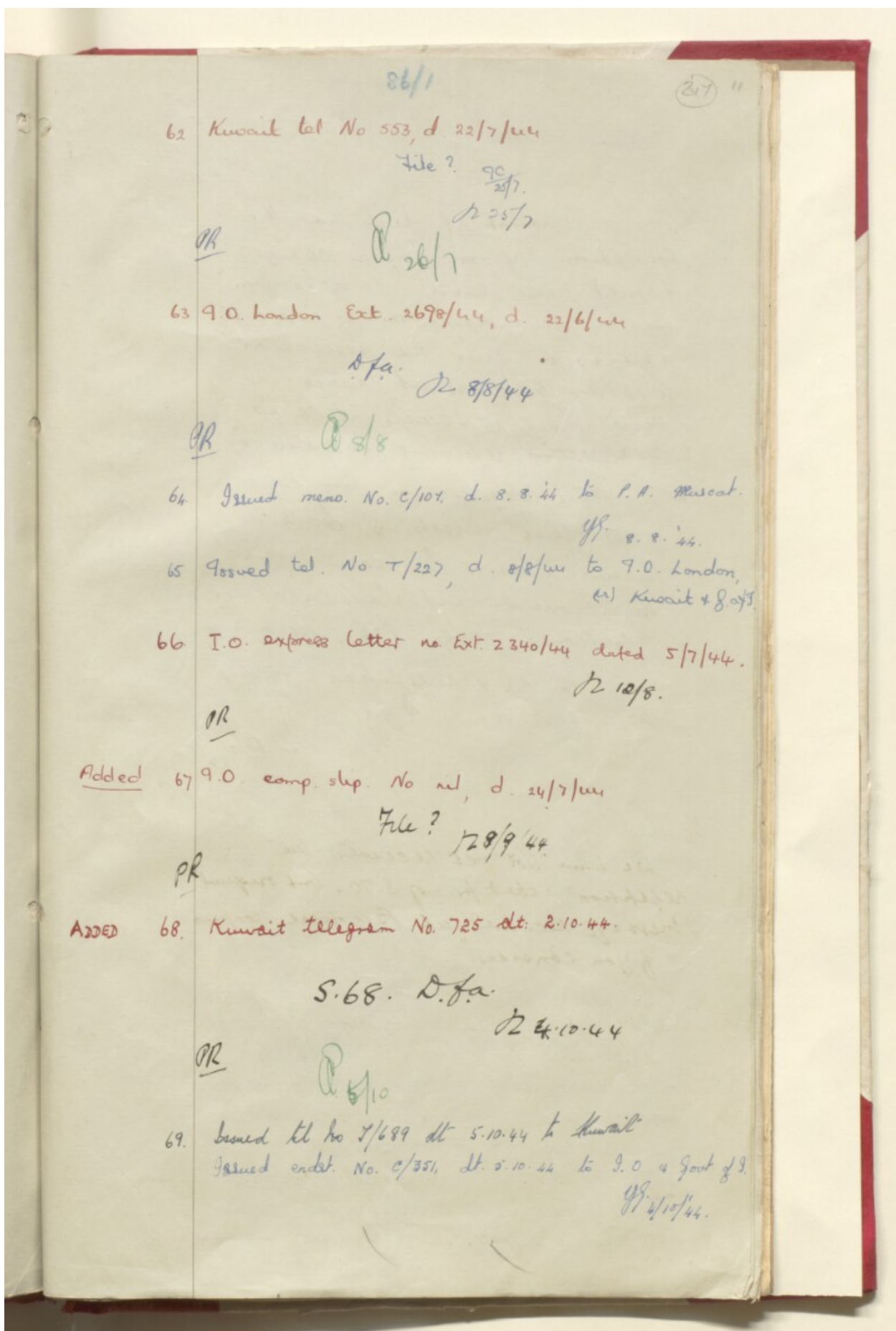
PR

Issued Tel. No. T/128, d. 20. 7. 44 to P.A. Kuwait. 60  
Retransmission London, Foreign New Delhi,

20/7

Issued Tel. No. T/132 to Kuwait, London, New Delhi 61  
Dated 20TH. July 1944.

20/7.





12

26/1

Tehran tel. No 170, d. 4/10/44

70

from pre-page

I thought at first that the corruption "if you" (by one change) should have read "unless you" but on reconsideration the message appears to give the impression that the AIOC do not favour the visits but wish to escape the onus of ~~maintaining~~ refusing assistance.

The telegram in any case is not clear. Visits to both Kuwait and Bahrain are mentioned but last sentence mentions only P.R., Kuwait.

Check & repetition may be asked for. D.P.A.

C.D. msc

P.D.

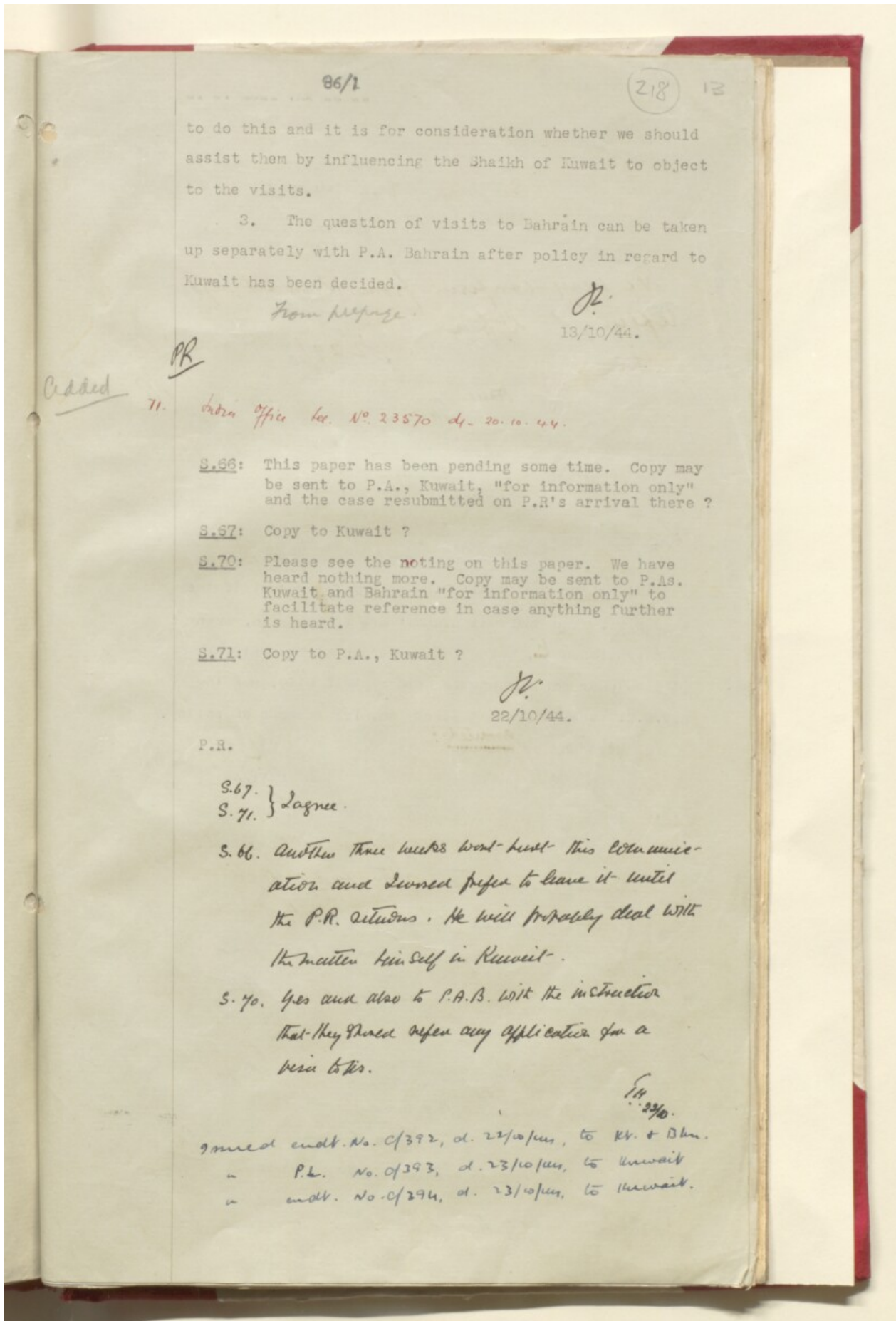
2 5/10/44

PR.

We have not yet received the repetition asked for of S.70, but original message received at Bushire confirms "if you consider"

2. Visits for the purpose mentioned can scarcely be regarded as illegal. Several years ago, before the A.I.O.C. had any interests in Kuwait, they asked and were given permission, for their geologists to visit Kuwait and Bahrain, in order to co-relate the geological strata on both sides of the Gulf. It is for the K.O.C. and Bapco to raise any objection if they so desire. The A.I.O.C., because of their half interest in the K.O.C. are apparently reluctant







14

86/1

I.O. Telegram No. 24273 dated 28.10.44.

72.

S.27 and S.37 are relevant.

also S.37a.

have  
29/10

We may confirm from Kuwait before  
replying? D.F.A.

29/10

have  
29/10

PR

Revised telegram No. T/782 dated 29.10.1944 to Kuwait 73.

Kuwait telegram no. 786 dt. 31/10/44

74.

It is for the Kuwait Oil Company to protest if they  
so desire. The Gulf Oil element are unlikely to, even  
if they wished <sup>to</sup>, owing to the action of Mr. Patrick  
(the sulphur concessions is held by Gulf Oil), and the  
A.I.O.C. element are not likely to, for reasons of policy.

Papers may be <sup>awaited?</sup> ~~amended~~

J.C.  
2/11/44

P.R.

Agreed. As shown a very Senior A.I.O.C. official  
accompanied them & the party used  
the A.I.O.C. plane presumably that Com-  
pany, what-else they may have said  
previously, raised no objection to the  
visit.

You will see that he also  
produces British Bahraini.  
Baptist do not object I do not  
see why we or Bahraini got share.

29/11

S.70

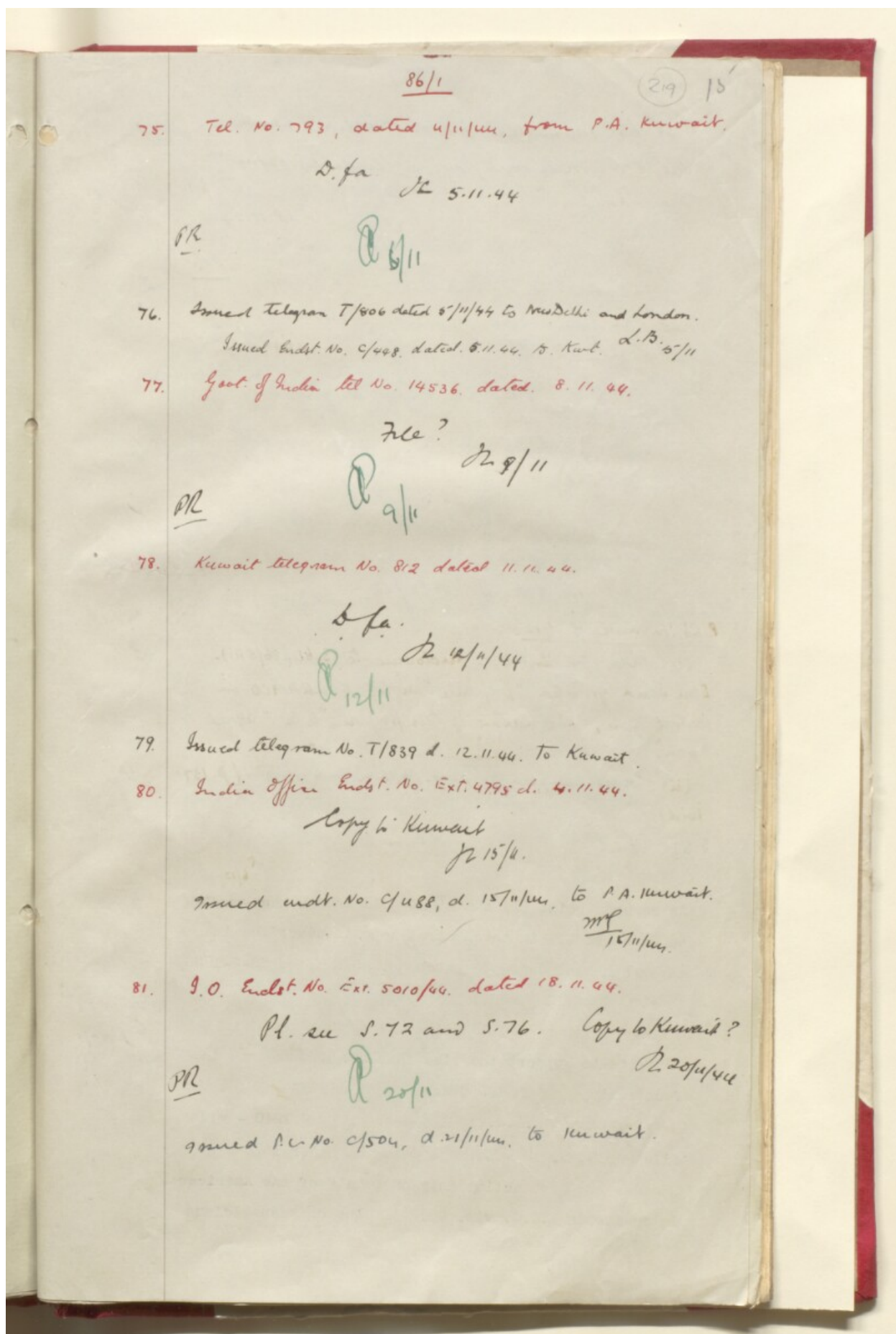
PR

PR

Q 4/11 how do I.

29/11

Q 4/11







16

86/1

S. 66 submitted for discussion with the P.R., Kuwait, or for enquiry from the Sheikh.

228-11-44

Discusses. I think it is a fact PR that <sup>(i)</sup> Ibn Saud has granted Aramco his rights in the Neutral zone, <sup>(ii)</sup> that Mr Rhodes came to endeavour to secure them not for K.O.C. but for Aramco. Can you show me any confirmation of the above?

8/12

(82)

Kuwait X.L. No. 838 dt. 19/11/44.

P.R.'s minute of 1/12.

(1) Please see Art 3 of enclosure to S. 61 (86/5 iii). Ibn Saud granted "preference" rights to ARAMCO in neutral zone, "the nature of this preference" to be "agreed upon".

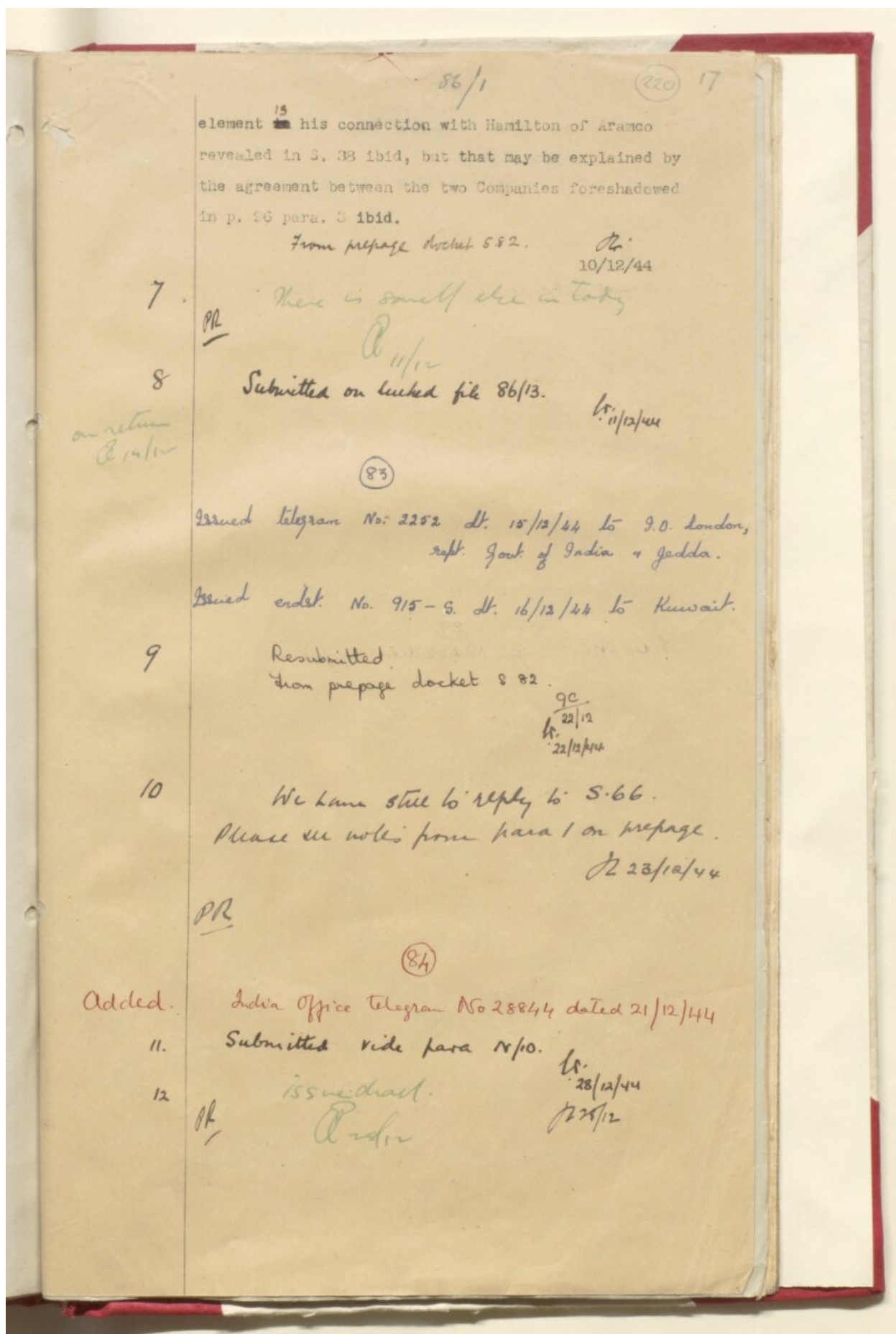
(ii) Please see para 3 (p. 96. 86/13. ii) and para 4 (p. 137 ibid)

S. 82. File?

15/12/44

As regards point (1) the right held Aramco have on Saudi rights in the Neutral Zone is described in paragraph 2 of Jeddah despatch No. 33 E dated 23-2-1939 to F.O. (86/13 p. 25)

2. With regard to point (2) we have nothing definite to support the view that Mr Rhodes was in fact acting on behalf of Aramco and not of Gulf. (You have mentioned K.O.C., but as far back as 1940 - vide file 86/13, S. 18 - in regard to the neutral zone Rhodes has been acting only on behalf of the American interests in K.O.C. viz. Gulf). The only suspicious

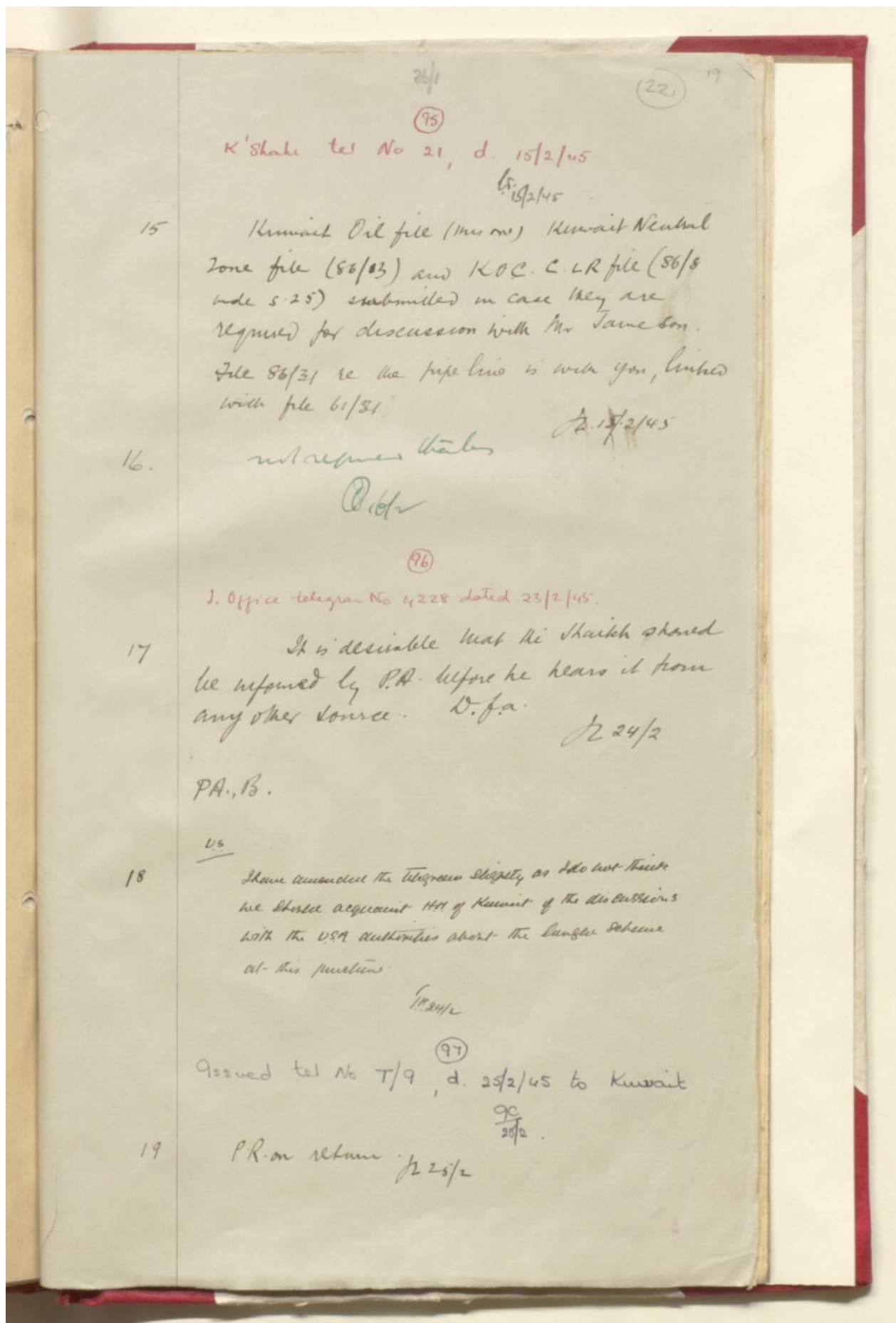


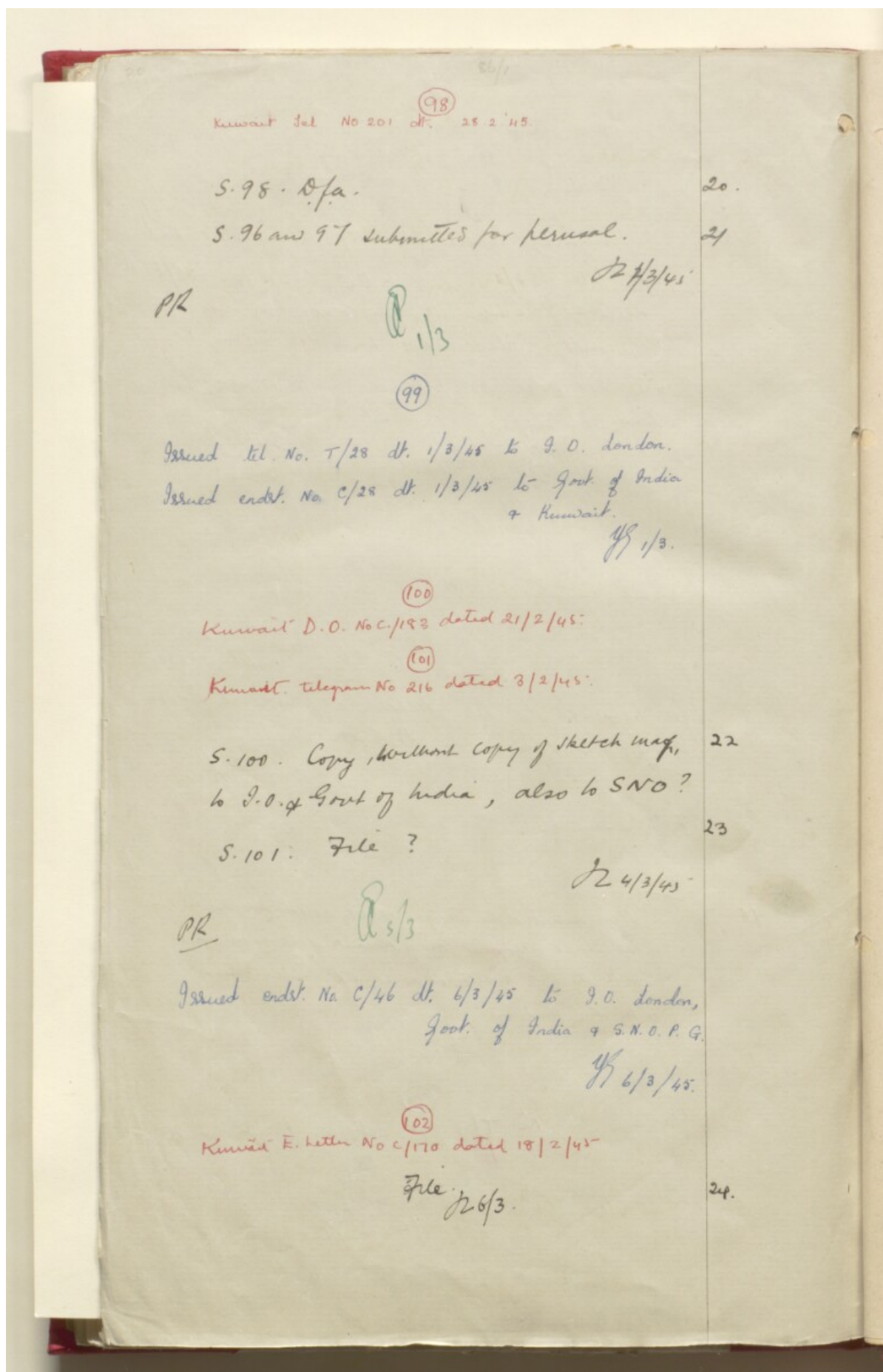


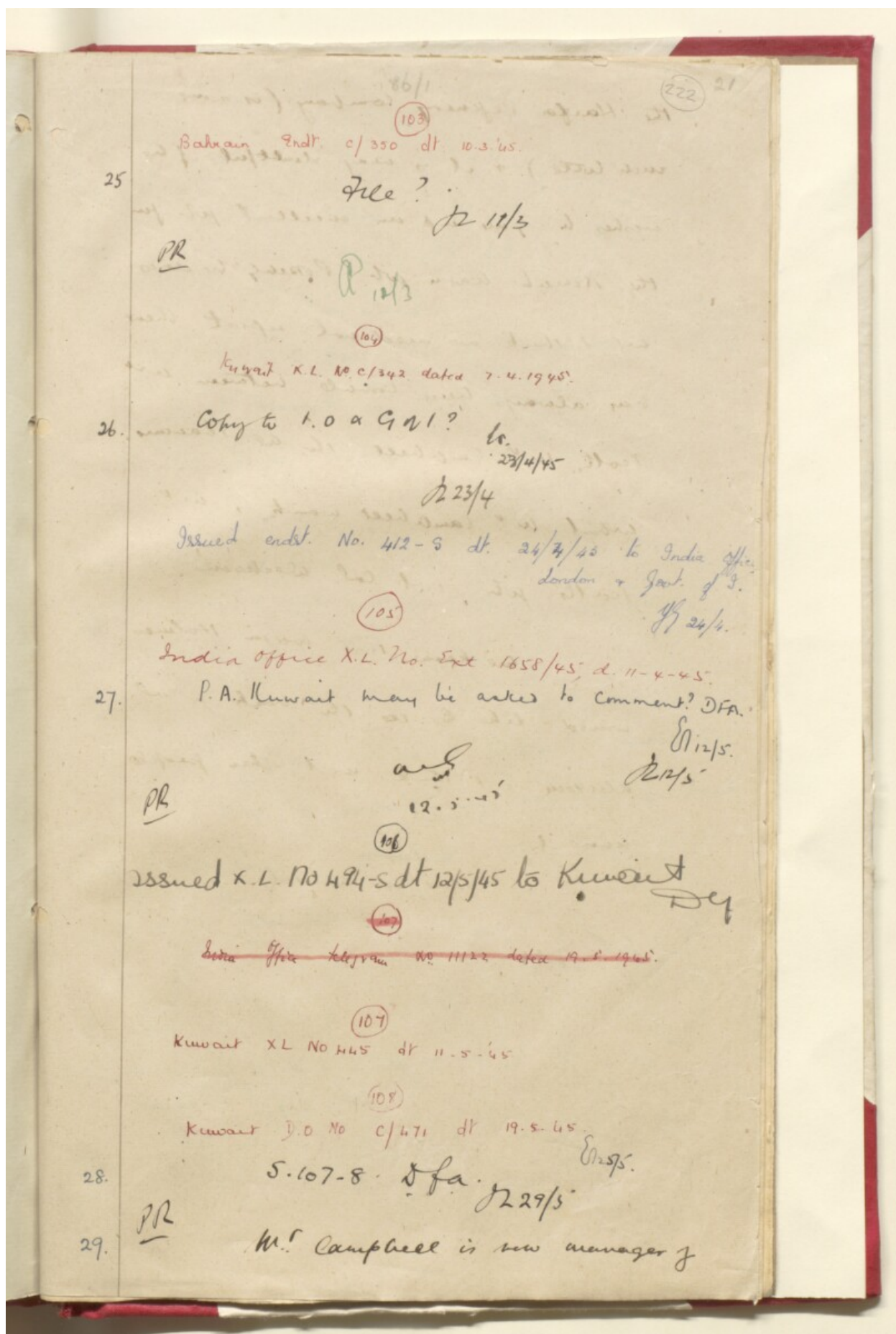


18  
86/1  
(85)  
Issued telegram No 2322 dated 29/12/44 to J/O + G of India  
L.B. 29/12  
Issued indrt No 956-S dated 29/12/44 to P.A. Kuwait  
L.B. 29/12  
(86)  
Issued Telegram No 2324 29/12/44 To J/O + G of India  
L.B.  
(87)  
Foot. of 9. tel. No 72, d. 3/1/45  
may repeat S.84? D.F.A.  
R.R.  
4/1  
24/1.  
(88)  
Issued telegram No. 25 dated 4/1/45 to New Delhi.  
(89)  
India Office Telegram No 408 dated 6/1/45 to  
(90)  
Issued tel No. 72, d. 11/1/45 to Kuwait  
(91)  
Kuwait P.L. No. C/89-31/5-C, d. 28/1/45  
S.91. File?  
H.  
26/2  
OK  
R. 10/2  
(92)  
Jameson, Abadan tel. d. 14/2/45  
(93)  
Issued tel, d. 14/2/45 to Jameson, Abadan  
(94)  
Jameson, Abadan tel. d. 14/2/45  
(95)  
Issued tel, d. 16/2/45 to Jameson, Abadan  
95  
16/2













86/1  
 22/ the Haifa Refining Company (is some  
 much little) & it is very doubtful if he  
 wishes to give up an excellent job for  
 the Kuwaiti main job. Possibly he does  
 not I think we need not report. There  
 has always been trouble between Mr.  
 Scott, Mr. Campbell, & the al Shamir.  
 What Mr. Campbell wants is Mr.  
 Scott's job, not Col. Dickson's.

we know that Major Holmes 30.  
 would like to see the back of Col.  
 Dickson. I think most other people  
 know it.

draft  
 MacLus altered.

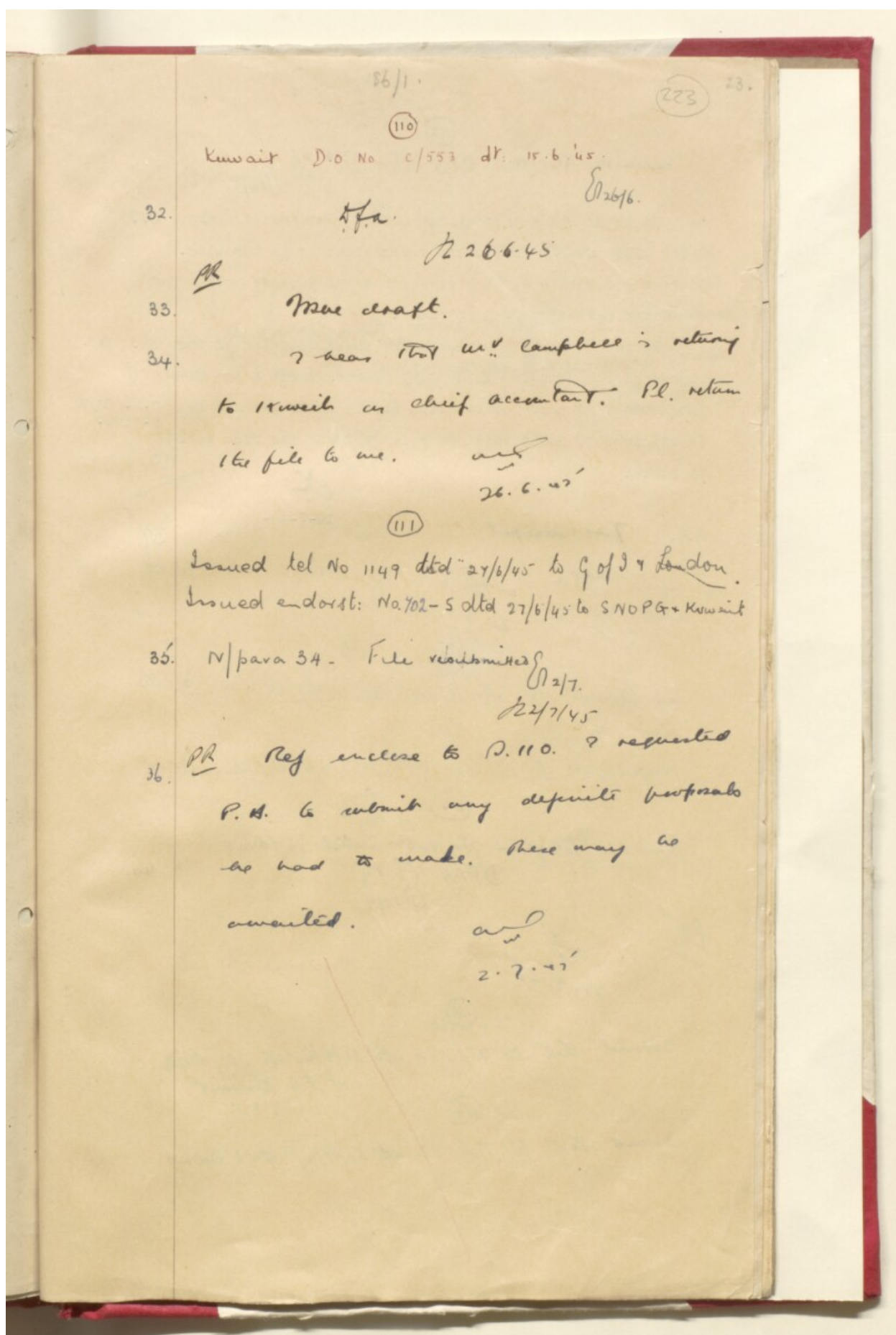
best. 22/1/5

29. 1. 55

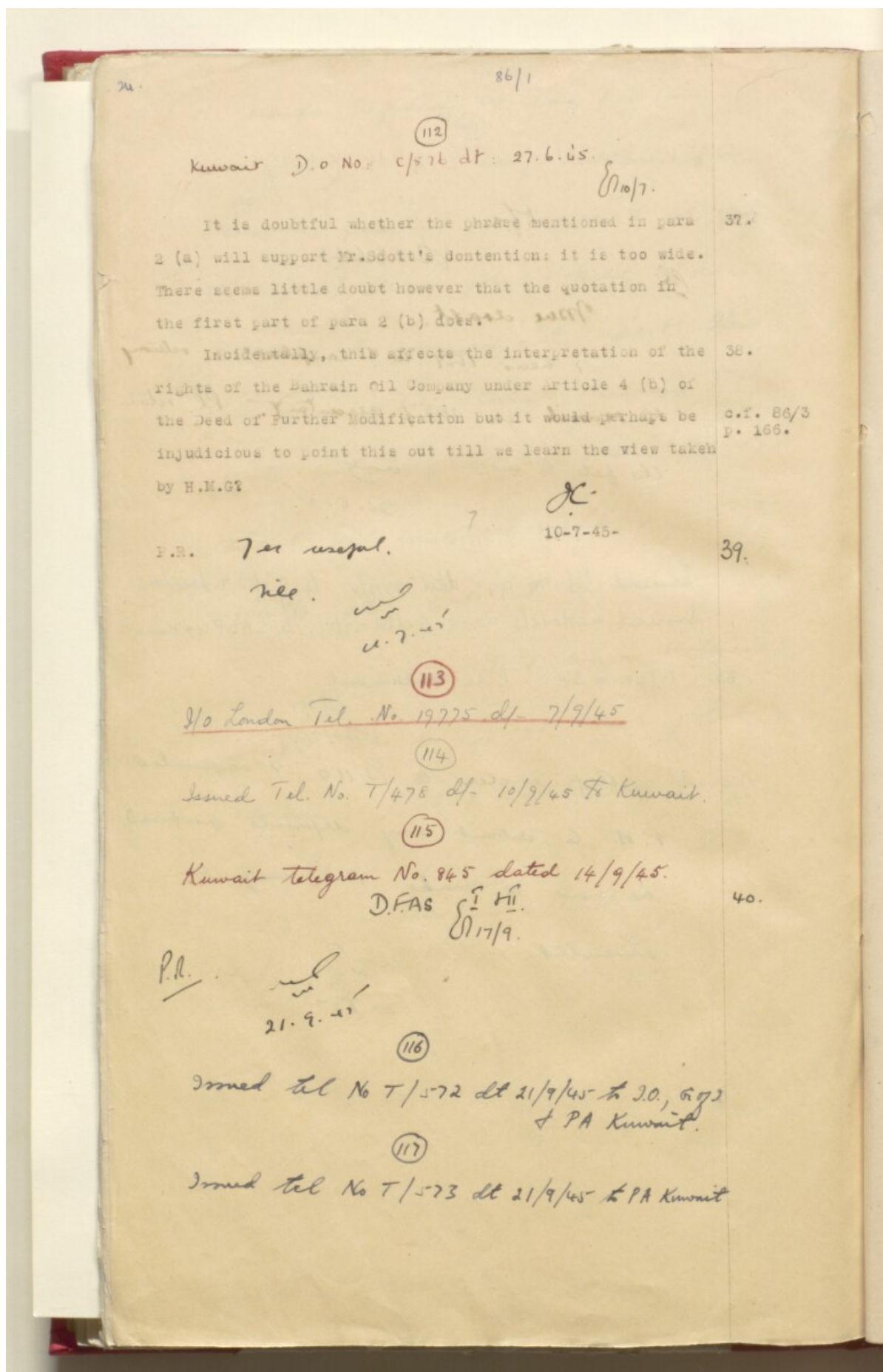
(109)

Send X.L. No. 579-3 dt. 30.3.45 to G.O. London  
 (copy) of 9 & Kuwait.

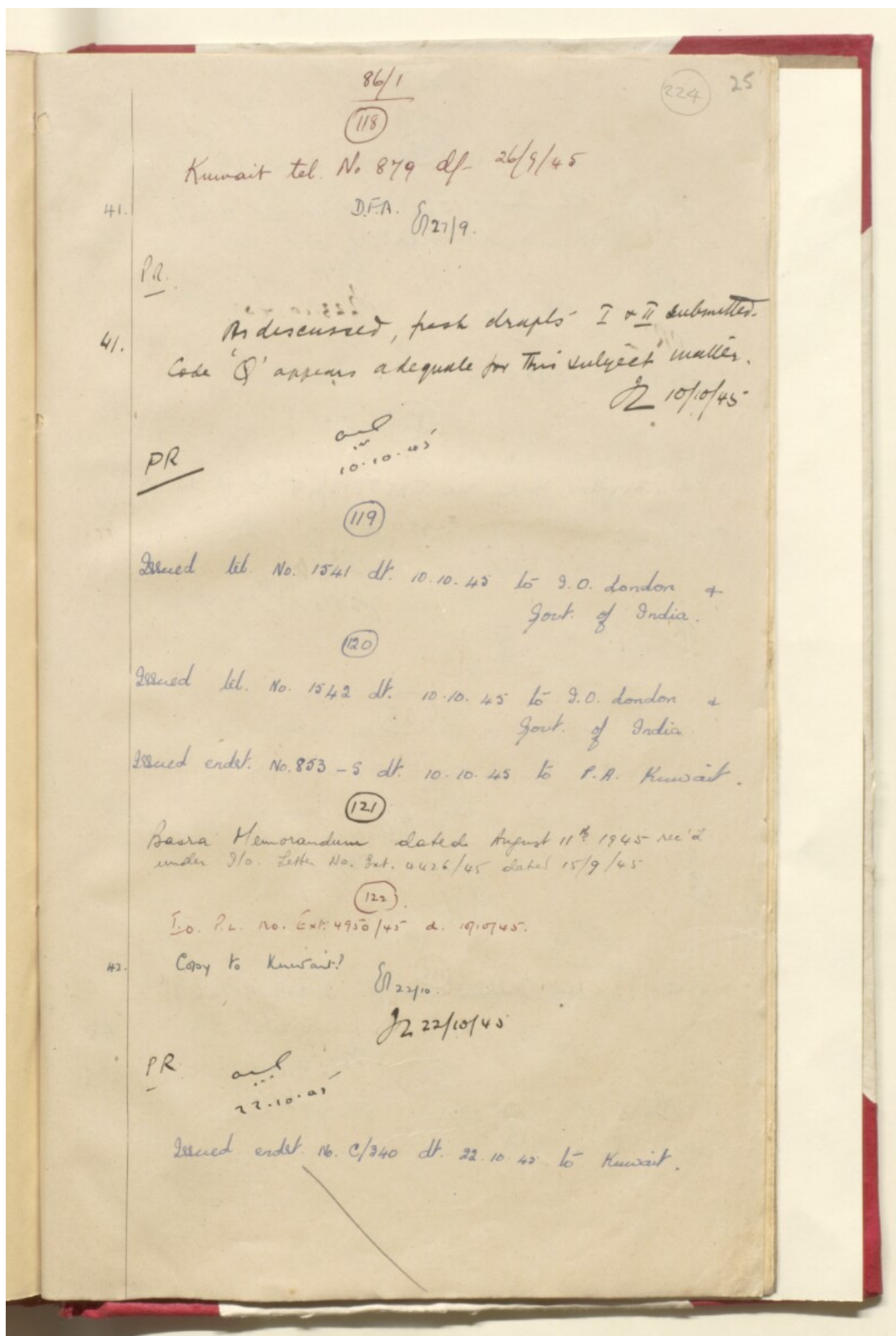
Yf.

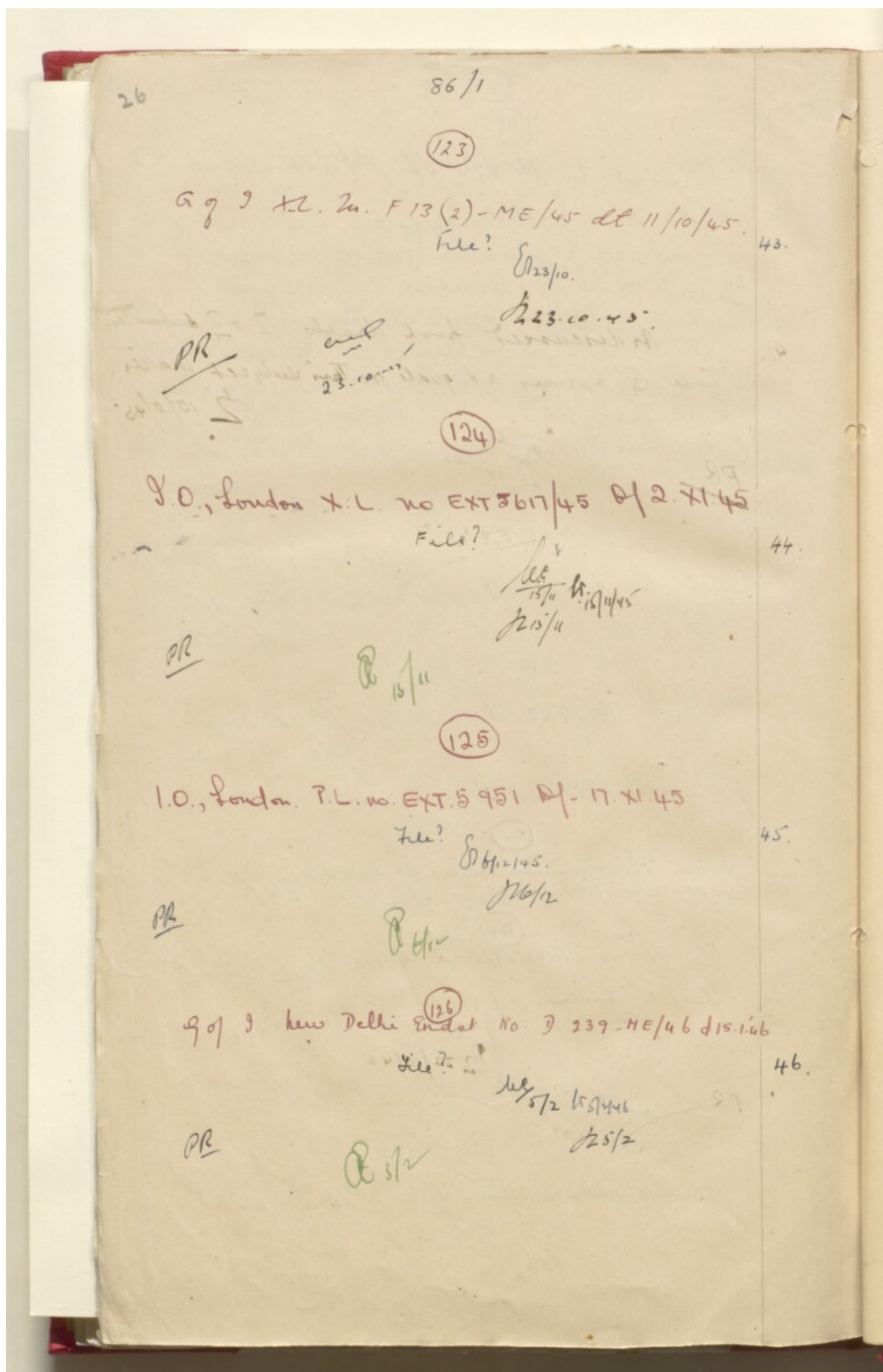


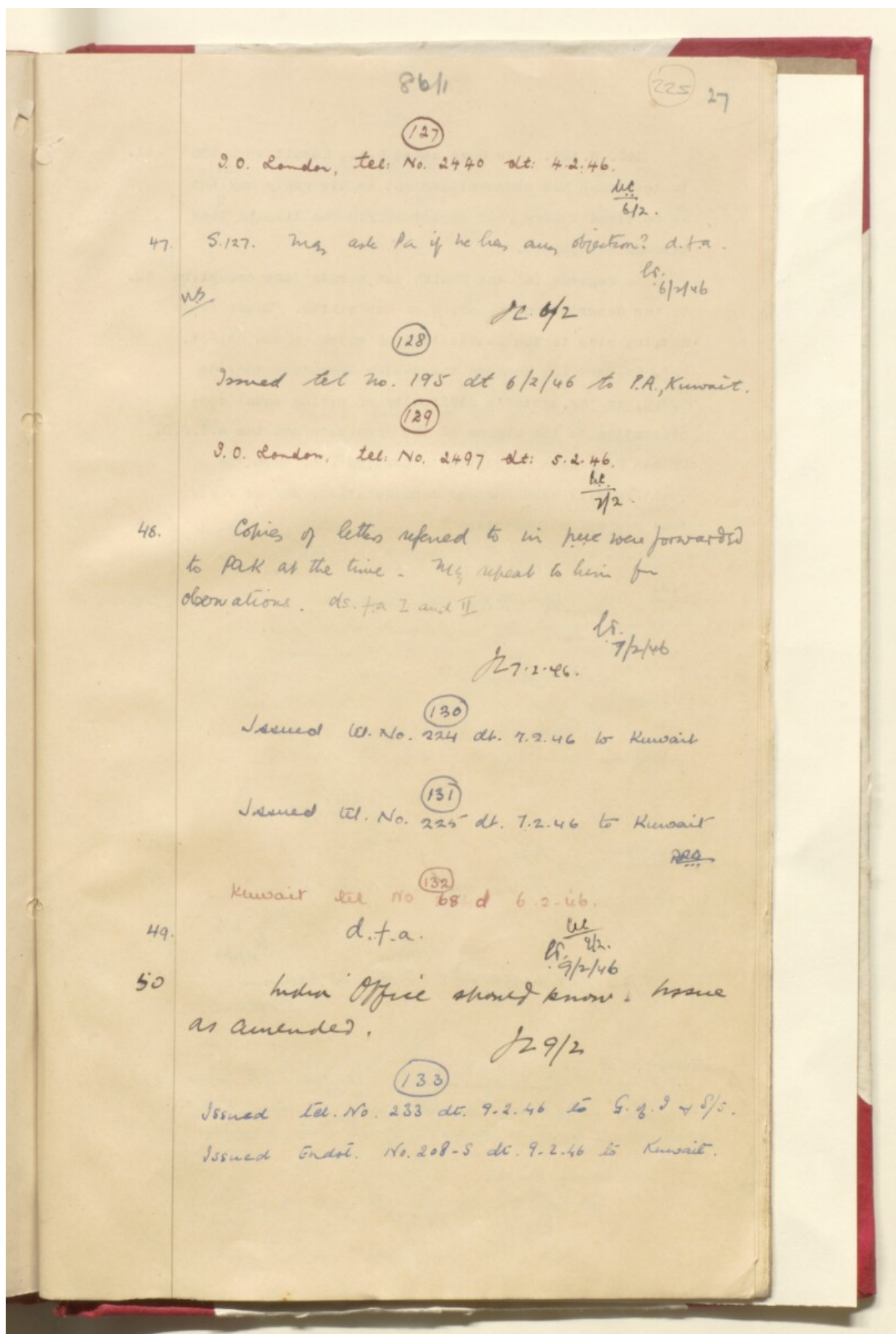
















86/1

Ref. S.129. We have asked P.A., Kuwait in S.130 to telegraph his observations but as his reply may not be received before your departure you may like to look through the papers.

As regards (a) the Shaikh can hardly take exception to the description in para 2 of his status. There seems nothing else to the publication of which he can object. (b), (c) and (d) concern the Shaikh less than they do H.M.G. in the latter's difficulty of giving equal consideration to the claims of the Syndicate and the A.I.O.C. Unless P.A. sees objection to publication, when the question will need further consideration, may we reply that you see no objection?

11.2.46

P.R.

*I will take this up when Pa has replies.*

*P.R.*

(134)

*G/India tel. No. 1603 dated 14/2/46.*

(135)

*Kuwait tel. No. 80 dated 10/2/46.*

*S. 134. Site?*

*S. 135. Pl. see N/para. 51-53 supra.*

*N.H. 16/2.  
H. 16/2/46*

*S. 134. As suggested: S. 135 at Bahrain.*

*16/2/46.*

*S. 135. Resubmitted. Unless P.R. sees any objection, may reply as in D.F.A. (Pl. see N/para 51-56).*

*N.H.*

*may issue.*

*P. 2/3*

